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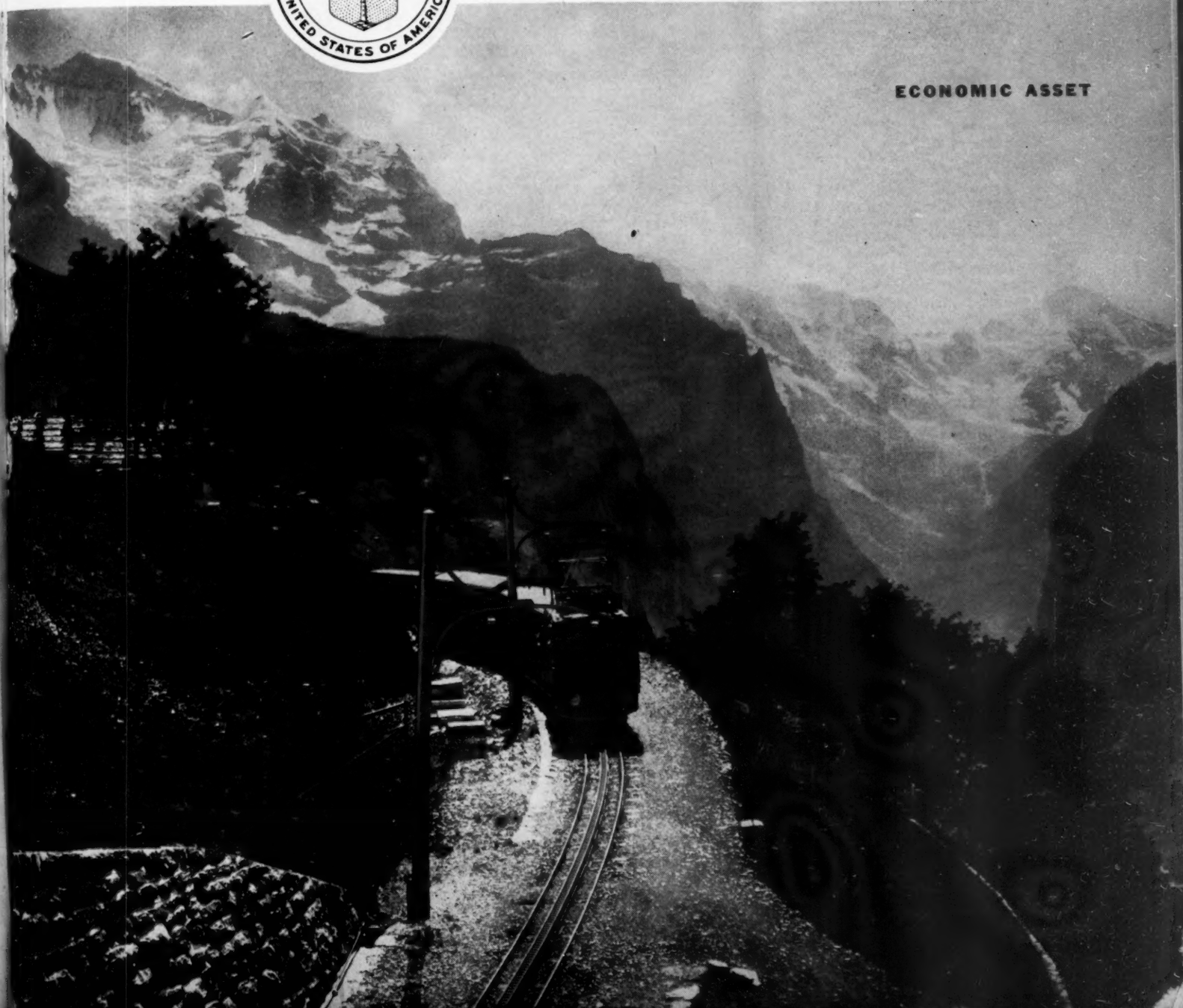

ECONOMIC ASSET

Foreign Commerce Weekly

[Statutory Functions "The Bureau of Foreign and Domestic Commerce . . . to foster, promote, and develop the foreign and domestic commerce of the United States." [*Law creating the Bureau, Aug. 23, 1912* [37 Stat. 408].]]

Issued by the UNITED STATES DEPARTMENT OF COMMERCE, HENRY A. WALLACE, *Secretary*

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Release of Blacked-Out Foreign-Trade Statistics

A Statement by the Department of Commerce

THE RELAXATION, on July 1, 1945, of security regulations to allow the release of current statistics of United States imports and exports permits the Department of Commerce again to supply trade information which was almost completely blacked out shortly after the attack on Pearl Harbor. Data on the foreign trade of the United States in commodity and country detail may, therefore, be obtained immediately from Department of Commerce field offices in principal cities and from the Department of Commerce in Washington.

The wartime elimination of publication of all statistics on imports and exports, except the total value of import and export trade, was an action taken in the interest of national and Hemisphere defense. It was the first time in the history of the United States that information on this country's imports and exports ceased to be freely and openly available to anyone. The decision to withhold trade data was made after all other possible alternative means for protecting the security of the United States had been reviewed. No information could be released, of course, which in any way would endanger the war effort of the United States or its Allies. Now that the war is limited to the Pacific theater of operations, it has been possible for the security authorities to allow the release of a far greater range of data than they have felt it safe to release heretofore.

What Can Now Be Had

Under the new security regulations of July 1, 1945, for the release of foreign-trade statistics, complete information on United States foreign trade to and including the calendar year 1944 may be published except for certain isolated figures for 1943 and 1944. In addition, current monthly statistics may be released on imports and exports of all commodities except strategic, critical, and military items, showing country of origin and country of destination except that no details may be given regarding any individual country in the Pacific theater of military operations. Even in this case, however, the new regulations permit the release, on a 6-month delayed basis, of details regarding countries of origin or destination for trade in the Pacific area.

The post-Pearl Harbor blackout of foreign-trade statistics was partially lifted in 1944. On July 1, 1944, information on trade in nonstrategic, noncritical, and nonmilitary items with the Latin American Republics and Canada was made available on a 12-month delayed basis. The regulations of July 1, 1945, permit this information to be shown for trade with all countries, except those in the Pacific area, on a *current* basis.

NOTE

Catalogs of statistical reports on exports and imports published by the Department of Commerce may be obtained from the Bureau of the Census. Information on interpretative and analytical studies may be obtained from the Bureau of Foreign and Domestic Commerce.

The new security regulations also make available on a current basis the total value and shipping weight of the import and export trade with each country, except those in the Pacific area, and the total value and shipping weight of import and export trade through each Customs District in continental United States. Under previous regulations such data could be released only for trade in nonstrategic, noncritical, nonmilitary items.

Lend-Lease Data Obtainable

The new regulations also allow the release of a substantial amount of information on lend-lease exports. For periods prior to 1944 it becomes possible to supply data separately on lend-lease and nonlend-lease, or commercial, exports by commodity and by country of destination. For 1944 and later months, this information can be released for most but not all commodities and countries of destination.

The Department of Commerce can supply the following information under the revised regulations. Copies of tables are now on sale covering 1944 exports in commodity - by - country - of - destination arrangement, showing for each of 3,500 commodities the total value and shipping weight exported to all countries and the exports to each one (similar to table 4 in the annual publication Foreign Commerce and Navigation of the United States). A table also is available for 1944 imports showing, for each of 5,000 commodities, the total imported from all countries and the imports from each one (similar to table 1 in Foreign Commerce and Navigation).

For persons interested in the export trade with individual countries in 1944, copies of tables are available in country-by-commodity arrangement showing for each country of destination the total value and shipping weight of all exports and the exports of each commodity (similar to table 6 in Foreign Commerce and Navigation). For imports in 1944, the data are available in country-by-commodity arrangement showing for each country of origin the total value and shipping weight of imports and the imports of each commodity into the United States.

Monthly Statistics

Because the new security regulations limit the release of certain monthly statistics, it will not be possible to resume publication of the whole of the Monthly Summary of Foreign Commerce of the United States for 1945. Statistics showing total monthly exports of individual commodities, except those military items which cannot be released currently, are being published in report FT–400 which is similar in content to tables 3 and 5 of the Monthly Summary. Total imports of individual commodities, except strategic, critical, and military, are published in report FT–100 which is similar to table 4 of the Monthly Summary.

Monthly information on total import and export trade with individual countries (table 2 of the Monthly Summary) is available currently in report FT–950, except for countries in the Pacific area. Monthly information on total import and export trade through each United States Customs District (Monthly Summary table 10) is available currently in report FT–970. Trade with United States Territories and possessions (Monthly Summary table 13) is reported monthly in FT–800. Also, certain information on imports and exports of gold and silver, and imports and exports of merchandise by economic classes, which formerly appeared in the Monthly Summary, is available in report FT–930, and certain summary information in report FT–900.

Customs-District Tabulations

Field offices of the Department of Commerce are being supplied with copies of tabulations containing information on the 1943 and 1944 import and export trade of the Customs District in which the office is located. These tabulations show, for the Customs District, the total import and export trade, the commodities involved, and the countries of origin

(Continued on p. 42)

Destroy Economic Basis of German Aggression!

[Illicit, Guileful, and Determined Have Been the German Efforts To Escape the Economic Consequences of Defeat—But the United Nations, With Powerful and Sweeping Measures, Move Steadily To Thwart and Frustrate the Diverse Stratagems and To Insure That No Concealed German Business Strength Shall Menace World Peace]

Summary of Statement by Honorable WILLIAM L. CLAYTON, *Assistant Secretary of State, Before the Subcommittee on War Mobilization of the Senate Committee on Military Affairs*

THE TASK OF DESTROYING the economic basis of German aggression is one that requires vigorous, simultaneous action along a number of lines. Three main aspects of this problem are, first, the serious problem of Axis economic penetration in Latin America; second, the problem of tracking down and frustrating German efforts to hide abroad a stake for another gamble of aggression; and third, the question of the treatment of German cartels, combines, and technology.

The earliest phase of our continuing efforts to destroy the economic basis of German aggression was related to the problem of Axis economic penetration in Latin America. Not only was German economic power in the other American republics alarmingly great, but it was all too frequently used to support antidemocratic political and propaganda activities which jeopardized the unity of this hemisphere and directly threatened the security interests of the United States.

The great German combines were the spearheads of Axis economic penetration in the other American republics. In the field of drugs and pharmaceuticals the Bayer, Merck, and Schering companies enjoyed a virtual monopoly. I. G. Farben subsidiaries had a firm hold on the dye and chemical market. German enterprises such as Tubos Mannesmann, Ferrostaal, A. E. G., and Siemens-Schuckert played a dominant role in the construction, electrical, and engineering field. Shipping companies and, in some areas, German air lines were well entrenched.

In addition, other strong pro-German firms were engaged in miscellaneous types of business, some of which were partly or wholly owned from Germany and some of which were wholly owned by persons of German origin who, without changing their basic allegiance, had acquired citizenship in one of the American republics.

Replacement Program

This Government soon determined that German enterprises could not be permitted to survive as hostile centers of Axis influence in this hemisphere. The Replacement Program was accordingly evolved as a means of bringing about the elimination of German enterprises and of German interests.

The obstacles to the achievement of the goals of this program were numerous. In some countries German capital represented a large portion of the total business investment, and in some important industries there were no non-German companies to serve the essential requirements of the local economy. In those countries which took steps short of war against Germany, the constitutional authority of the administration to proceed with an elimination program was open to serious question. In the case of some enterprises, it was claimed that the beneficial ownership was not German, which made it necessary laboriously to trace ownership through a maze of dummies and holding companies. Furthermore, the relatively large numbers of citizens of German descent in some Latin American countries were sometimes a political obstacle to the adoption of a satisfactory elimination program.

The Department of State throughout this period has had to take full account of the many factors which make the eradication of Axis influence in this hemisphere a difficult and arduous job. It was necessary to avoid putting the United States in the position of the whip-cracking "colossus of the North." More has been achieved by means of cooperation and an honest attempt to understand the problems of other governments than could have been achieved by dictation; and our long-range objective of good-neighborly relations has not been imperiled.

Moreover, in those countries which lacked substitutes for Axis enterprises, we have tried to work with the local governments in building up new enterprises, and we have tried to make sure that the successor enterprises remain in the hands of local nationals. We have been careful, furthermore, to avoid actions which would afford the slightest justification for an accusation that the United States used economic-warfare controls to further the economic interests of its nationals.

Vital Facts Obtained

In obtaining information about the scope and character of German economic activity in this hemisphere, we received invaluable cooperation from the other American republics, as well as from our British allies. For example, an agency of the Government of Uruguay seized the books and records of the Banco Aleman. The findings of that agency are summarized in a report, showing clearly the extent of the participation of spearhead firms in the Nazi plan, the value of their contribution to that plan, and the insidious nature of their operations.

Through the cooperation of our British allies, we obtained access to a large cache of mail from the Bayer subsidiary in Argentina to I. G. Farbenindustrie, Leverkusen, Germany, which was intercepted in 1943 at Gibraltar. Of particular interest are two letters from the Argentine subsidiary which summarize the position of the important Bayer companies as of mid-1943.

Rio Recommendations

The basis for cooperation in the elimination of Axis-dominated companies was laid in the Rio de Janeiro Conference of January 1942. A resolution of that conference recommends the elimination of all commercial and financial intercourse between the Western Hemisphere and the Axis; it contemplated the elimination of "all other financial and commercial activities prejudicial to the welfare and security of the American republics."

At the conference held in Washington in June and July of 1942, it was recommended that the business of any persons who were acting against the political and economic independence or security of the American republics should be the object of blocking, occupation, intervention, forced transfer, or total liquidation.

The adoption of these recommendations was not empty phrasemaking. The resolutions were followed by action in almost all of the other American republics. Some of the legislation which was

drafted in these other republics was based upon United States legislation in the field or was drafted with the assistance of United States experts. The legislation adopted in most countries was extremely effective and thoroughgoing.

To Eliminate Spearheads

Our missions in Latin America have, of course, worked energetically and zealously in following the progress made under this legislation, in discussing individual cases with the commissions, and working out with them particular methods of eliminating spearhead companies. In general, the policy has been to liquidate those spearhead firms whose disappearance would not injuriously affect the local economy. Whenever the enterprise was essential to the local economy, the procedure has usually been either to vest the business with all its assets in much the same way that the Alien Property Custodian has moved against enemy property in this country, or to force the undesirable owner to sell to satisfactory purchasers.

Encouraging results have been realized in the job of eliminating Axis spearhead firms in Latin America. We naturally expect to continue to press for the elimination of such firms in those countries where the task is not already substantially accomplished.

Guard Against Subterfuges

The Department of State has, of course, given much thought to the possibility that some of these Axis spearheads will survive the program which I have described, and to the related possibility that some of the former German owners may find ways to regain their control over enterprises from which they have been ousted. Steps have been taken to guard against these possibilities by the addition of paragraphs in the various national laws on the subject to the effect that the assets in question may be transferred only to a national of the country concerned, or to the effect that such assets may not be transferred to German nationals. Assurances have been received from various American republics that the return of these properties to their former owners will not be allowed, and that the replacement program will continue unabated.

Moreover, the Department of State has followed, on a case-by-case basis, the transfer of all Axis spearheads, as well as other Proclaimed List properties, to make sure that the transfer was bona fide in each case. No man can look too far in the future. It seems a safe prediction, however, to say that German economic and political penetration in this hemisphere has, for the most part, been dealt a blow from which it will probably not recover, and that the prospects are reasonably bright for the substantial elimination of Axis spearhead firms even in the areas where they still survive.

Must Frustrate "Safehaven"

The second matter I should like to discuss relates to the current and urgent problem of frustrating German attempts to hide abroad a stake for another gamble at world domination.

The Department of State has abundant evidence that the Nazis, in anticipation of military defeat, made careful plans to carry on in foreign countries a wide range of activities necessary to support an eventual resurgence of German power. For this purpose plans were made, and carried out in part, to transfer abroad sufficient funds and specially trained personnel to carry on Pan-German activities, even while the Allied armies were in occupation of Germany.

The success of German efforts to carry on in foreign countries activities inimical to the United Nations must depend on their ability to mobilize funds to support the execution of their plans. Consequently, they have made strenuous efforts to move abroad assets of all kinds, which can be converted into funds for the financing of hostile activities.

Our Safehaven Program is a combined effort of the Department of State, the Treasury Department, and the Foreign Economic Administration to deny to Germany, in the interests of justice and future security, the economic power arising from (*a*) the organized looting of occupied countries, (*b*) the flight of German capital in anticipation of defeat, and (*c*) the German capital investment already located abroad when the war began.

"Schemes and Devices"

Our investigations have yielded a considerable amount of information which indicates the schemes and devices which the Germans planned to use in order to safeguard their foreign holdings and transfer additional property abroad. In many cases they have concealed their interests in foreign properties through holding companies and cloaks. In other cases they have abandoned formal voting control but retained a firm grip on manufacturing concerns through domination of technical processes. They have transformed their holdings into bearer shares in order to take advantage of the fact that the title to such shares can be traced only with extreme difficulty. Moreover, the Germans have also taken advantage in some countries of administrative inefficiency and corruption. The extent to which this can be said in every neutral country to have been the fault of private individuals alone is problematical.

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Germany's Economic War Potential: High Lights of the New Report by the Senate's "Kilgore Subcommittee"

Striking statements reinforcing and illustrating certain of the facts set forth in the accompanying article by Assistant Secretary Clayton are contained in the report recently rendered by the Subcommittee on War Mobilization of the Senate Military Affairs Committee. Excerpts from those statements follow:

Germany is better prepared to implement her plot for world conquest than she was at the end of World War I. Her major resources include (1) the world's third strongest industrial economy; (2) tremendous industrial recuperative power; (3) a world-wide network of economic and political reserves and a system of commercial inter-relationships penetrating the economies of other nations; and (4) the science of aggression perfected by her leading industrialists, militarists, and politicians to reverse the decisions of the battlefield.

Strategic bombing effectively knocked out critical sectors of the German economy in order to prevent the flow of war materials to the German armies. It did *not*, however, destroy Germany's industry, whose structure has no other rationale than war. * * * Estimates indicate that many of the major war industries are still intact and, given a period for repair and rehabilitation, could readily attain and surpass their previous war-production level.

The strength of Germany's war machine lies not only in her overexpanded metallurgical and chemical industries but in her enormous industrial flexibility and recuperative power, resting on her greatly expanded machine-tool industry, her highly developed scientific and technical facilities, and her large reserves of skilled scientists and technicians. * * * Except for the United States, Germany remains the outstanding machine shop of the world.

German-owned or dominated firms [in foreign countries] not only served to procure raw materials, increase German trade, and obtain much-needed foreign exchange for Germany, but they acted as centers of espionage and as intermediaries for the financing of Nazi political activities. During the period of her military triumph, Germany thoroughly infiltrated the economies of the occupied countries, making the unraveling of the network of German influence a most difficult job. During the war * * * she used the neutral countries as a cloak for German ownership or control. In the last phase of the war the Germans accelerated the export of assets as well as personnel to neutral countries in order to preserve them from the consequences of military defeat.

Many German industrialists are making proposals for reopening their plants on the basis of peacetime production. Evidence shows that this is part of a preconceived scheme to save their plants and laboratories from obsolescence or destruction and to keep a nucleus of skilled personnel during the occupation period.

Spain's Electronic Needs

The Country Really Requires Large Amounts of Such Goods But Restrictions and Other Conditions Limit Actual Market

Digested From a Report by ROBERT M. BRANDIN, *Third Secretary, U. S. Embassy, Madrid*

THERE IS A GREAT DEMAND in Spain for all types of electronic products, and keen interest is expressed in imports from the United States. However, Spain's dollar credits are limited, and for this reason their use is strictly controlled by the Government. The Spanish Government, moreover, has adopted a protectionist policy designed to stimulate domestic production and to restrict imports as much as possible. Generally speaking, if an article is manufactured in Spain in sufficient volume to meet domestic needs, it is practically impossible to obtain import licenses for that article.

Of the raw materials needed in the manufacture of electronic products, Spain produces iron, steel, copper, aluminum, chromium, and brass metals in limited quantities. Before the war, however, manufacturers of electronic products relied heavily on imports of these materials because of the high cost and generally inferior quality of the domestic product. Tungsten, molybdenum, and other materials for making filaments also are imported. In normal times plastics were imported, although present difficulties in obtaining plastics from foreign sources have stimulated domestic production. Domestic woods are generally used in making cabinets.

While simple mechanical component parts usually are made locally, essential components are imported, mainly from Germany, the Netherlands, and the United States. In normal times France, England, Italy, Hungary, and Sweden have exported such products to Spain. Substitution of domestic materials and components for imported components generally has resulted in poorer performance. While domestically manufactured products are accepted by the domestic market, foreign goods are preferred when they are available.

Domestic Manufacture

It is estimated that between 3,000 and 5,000 workers and technicians are employed in the electronics-products industries in Spain, the number of skilled workers ranging between 30 and 50 percent of the total employed. The legal work week is from 44 to 48 hours, with overtime pay when a longer week is required, but the average work week at present is between 50 and 60 hours. Employment is on a full-time basis. Wages are paid weekly, the unskilled worker receiving a basic daily wage of 11 to 12 pesetas and the skilled worker about 15 pesetas. Tool makers receive 30 pesetas per day as a basic wage, and top-ranking engineers get from 15,000 to 30,000 pesetas annually.

In addition to the basic wage, workers receive a monthly family subsidy if they have children—26 pesetas for 1 child, 40 pestas for 2 children, 65 pesetas for 3 children, and so on. Workers also receive a second family allowance based on a complicated point system, a single worker having no points, a married worker 5, a married worker with 1 child 6 points, and so on up to a maximum of 60 points for a married worker with 16 children. Worker's income is further augmented by a Christmas bonus equal to one week's pay and sometimes by a small cost-of-living allowance amounting to about 13 percent of the basic wage. Although not obliged to pay income tax, workers are subject to percentage deductions from their wages for sickness insurance, syndical contributions, and family subsidies, amounting in all to 4 percent.

With few exceptions, Spain's largest producers of electronic products are subsidiaries of or have been partially capitalized by well-known foreign interests who furnish patents, and, in some cases, technical supervision. Germany and the United States exert the greatest influence, followed by the Netherlands and Great Britain.

Two Big Producers

Two of the largest producers are in the field of telephone and commercial radio communication equipment. Their output includes telephone equipment; mobile, marine, and point-to-point radio transmitting and receiving equipment; transmission lines; antenna equipment; high-frequency telephone carrier tubes; audio transformers; radio frequency and intermediate frequency transformers and chokes; mechanical and other rectifiers, including junction or dry rectifiers, with imported disks or tubes. One of these companies is the only manufacturer of depth sounders in Spain and has turned out between 30 and 40 units; this plant also produces radio equipment for aviation purposes and transmitting tubes—at the rate of 200 annually. Both of these firms are dependent upon foreign sources for certain raw materials and essential parts, however.

There are about 25 domestic manufacturers of radio receivers, but only 10 produce in quantity and none produce tubes. This is because of lack of machinery and raw materials. Portable radio receivers are not made in Spain, and only a few automobile receivers have been manufactured locally. Crystal sets and battery-powered sets are not in demand and are not produced. No radio-phonographs are manufactured at present, but 1 firm plans to start making these on a small scale. A few electric phonographs are produced, and 3 companies manufacture phonograph "pick-ups" on a limited scale.

Radio-Set Situation

The number of radio sets actually in use in Spain at present is believed to be approximately 750,000, most of which are in large cities. About half of these are equipped to receive international short-wave broadcasts. The number of radio-phonograph combinations in use is estimated at between 3,000 and 5,000, half equipped for short-wave reception. Practically all now being manufactured are equipped for both short- and long-wave reception. Stocks on hand early in 1945 were very small; imports had virtually ceased.

Until recently home radio receivers were supplied mostly from Germany. About two-thirds of the sets now in use are designed for European-type tubes, but the present tendency in domestic production is toward sets that can be adapted to use either European or United States types. Several of the larger manufacturers, including Telefunken, produce a few sets designed solely for United States tubes.

While the trade estimates that 80 percent of the present equipment could be adapted to use United-States-type tubes, to do so would be impractical in most cases because of the expense of conversion. There are no stocks of European tubes on hand. Formerly, Germany, France, Holland, Hungary, and the United States were tube suppliers, but only Germany and Hungary have shipped in any appreciable quantity since the beginning of the war. Since these sources have been cut off, tubes are practically unobtainable.

Fixed Transmitters

Exact data are not available as to fixed radio transmitters in operation in Spain. There are 9 large broadcasting stations, ranging in potential power rating from 300 watts to 20 kilowatts, and about 50

stations of 100 watts. The number of known transmitters used for communication purposes is about 125, including transmitters belonging to privately owned telegraph and telephone companies as well as those operated by the Direction General of Communication and the Ministries of Marine, Air, and Army. Of the 7 police transmitters, 5 are short-wave with power ratings from 300 to 500 watts. The number of airport transmitters is 148, of which 76 are long-wave. Present maintenance is inadequate for satisfactory transmission. Transmitter maintenance tubes and spare parts are imported.

Sound Equipment

While sound-recording equipment is not made in Spain, 2 Spanish companies do produce motion-picture sound-reproducing equipment. There are 3 or 4 manufacturers of installed and portable sound address systems including microphones, amplifiers, and loud speakers and several firms which produce microphones, amplifiers, and loud speakers separately. Production is small, however, because of limited demand and the common practice of renting rather than buying such equipment. Motion-picture sound equipment is extensively used in the more than 2,000 theaters of the country. Imports come principally from Germany, the Netherlands, and the United States.

There are in Spain about 6 installed public-address systems of the large type and between 2,000 and 3,000 of the small type, the latter in restaurants and public entertainment houses. The demand is only fair. Portable apparatuses number less than a dozen, and the demand is poor, as they are usually rented. The 15 sound trucks are all used for official purposes. The demand is practically nil because of restrictions against their use for unofficial purposes.

The idea of intercommunicators has not "caught on" in private business circles in Spain and even if import and exchange difficulties could be overcome it is believed that the market would be extremely small and confined almost entirely to military installations.

Industrial electronic equipment is in use in Spain only in a few isolated cases. Although a good market might be stimulated, the demand for other electronic products is greater and more immediate, in the opinion of the trade.

What of X-Ray Equipment?

There are 4 small Spanish companies producing X-ray equipment, but annual output is negligible. Several small workshops produce mounting components, accessories, and simple mechanical parts for X-ray equipment, but gloves, pads, shields, aprons, and similar articles are imported. One very small firm has begun making X-ray tubes on a small scale at high cost.

About 2,500 X-ray machines are now in use, about 250 electro-cardiograph machines, and between 4,000 and 5,000 short- and long-wave diathermy apparatuses. More than half of the X-ray equipment used for medical purposes was supplied by Germany, the remainder by the Netherlands and the United States. At least 300 additional X-ray machines and 100 cardiographs are needed.

Industrial X-ray equipment is practically nonexistent in Spain, and no demand for it has been created as yet. Some of the larger orange dealers have small machines for examining fruit, and a few magnetic inspection machines are reported to be in use in the metallurgy industry.

Starters and Controllers

Motor controllers and starters of the commercial and industrial type are produced mainly by 4 companies, 2 employing German patents and 2 using United States patents, the latter also manufacturing controllers and starters of the Navy and Maritime types. It is estimated by the trade that there are about 30 additional small-time manufacturers producing simple starters and controllers. The 2 companies using United States patents also produce the major portion of the arc-welding equipment made in Spain, the remainder being produced by 4 or 5 smaller firms.

Power conversion equipment is produced on a very small scale. One small factory has begun manufacture of mercury arc rectifiers, but the volume is negligible. Electrolytic rectifiers, hot cathode rectifiers, and cold cathode rectifiers are not manufactured, although several large companies have produced these types in their factories, using imported tubes, disks, and other parts. Mechanical rectifiers of the vibrating type are manufactured by 3 or 4 companies, and junction rectifiers by about 12 small companies, it is estimated by the trade.

No Market for Some Items

The more advanced and recently developed types of electronic products, such as radar equipment, light and heat emission detecting apparatus, electrical and magnetic field detection apparatus, television equipment, frequency modulated radio equipment, sound locators, magnetic inspection machines, electronic control devices, electron microscopes, and inductothermy apparatus, are neither manufactured nor used in Spain. Electrically amplified musical instruments are not manufactured, both because of the relative lack of demand and the preference for the imported product.

Selling Methods

Importers as a rule sell their goods directly to consumers, but in some instances sales are handled through retail dealers. Spanish manufacturers sell through their own organizations or through independent retail dealers to whom a discount has been granted in order to make the price uniform throughout the market. Sometimes retail dealers are granted exclusive selling rights for certain towns or areas.

Selling methods in Spain do not differ in any important respect from practices existing in most other countries. Government controls as to allocation of materials and setting of prices are also similar to those of other countries.

The most important restriction on trade is the strict control exercised by the Spanish authorities over the granting of import licenses and foreign exchange.

There are no license requirements for the possession of radios by Spanish nationals or foreigners. Owners are required, however, to declare them so that a yearly tax of about 5 pesetas per tube can be collected.

The use of sound trucks is confined to official purposes, it being virtually impossible to obtain permission for private purposes. Amateur radio broadcasting is not allowed.

(Continued on p. 42)

At the largely attended Barcelona Fair, Spaniards become familiar with the latest electronic developments and equipment. The principal structure seen here is the Communications Building.

Chile's Hemp Production

By MARGARET E. WAMBSGANSS, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

FOUR HUNDRED YEARS of ups and downs have marked the history of hemp cultivation in Chile. However, throughout the centuries this plant has played an important part in the country's economy, providing a livelihood for some 30,000 persons in recent years. During World War II the hemp industry has received a particularly strong impetus because of the unavailability of many cordage fibers, and in 1942 *its export value of $4,786,804 (U. S. currency) was surpassed by only nitrate and copper.*

Hemp, which resembles flax more closely than any other commercial fiber, is one of the earliest plants known to have been cultivated for fiber. It is mentioned in a Chinese work of about A. D. 500, which states that an Emperor in the 28th century B. C. taught the people of China to cultivate a certain fiber plant. From the description this is generally believed to have been true hemp.

It gradually wended its way westward and was introduced into Chile by the Spaniards in 1545, being used extensively in the manufacture of tackles for ships and ropes for the Spanish Army. In 1850 samples of Chilean hemp were sent to the United Kingdom with the intent of developing a profitable export market, and by 1920 it constituted a vital part of Chile's foreign trade.

Trend of Export Shipments

In 1934 Germany began a program of purchasing large quantities of hemp at any price, regardless of quality, and the Reich became Chile's chief customer. Shipments to Germany ceased in 1939; then the United States and the United Kingdom increased their orders. Unfortunately Germany's total disregard for quality led to careless growing and handling practices, and the product deteriorated rapidly, failing to satisfy other foreign purchasers.

Exports in 1942 comprised 10,223 tons of fiber and 45 tons of tow. In 1943 shipments included 7,813 tons of fiber (a drop of 23.6 percent), 280 tons of tow, and 97 of twine and rope. A more marked decline would have been recorded in 1943 had the reports not included substantial orders placed in the preceding year. Total hemp exports in 1944 amounted to only 7,498 metric tons valued at 14,508,800 gold pesos. These were made up of 6,237 tons of fiber (a decline of 20 percent), 605 tons of tow, and 656 tons of twine and rope. Spain, Argentina, and Brazil were the heaviest buyers.

To Recapture Lost Markets

Because of limited foreign demand, the 1943–44 hemp area dropped to 12,743 acres from 50,260 acres in the preceding year, or nearly 75 percent. A further drop was noted for the 1944–45 season when only 11,223 acres were sown. During the 1943–44 crop year 6,012 metric tons were produced—a marked decrease (71 percent) from the 20,490 tons of the preceding year. A rough calculation of the current crop is between 4,500 and 5,300 metric tons.

Today growers and dealers are eager to recapture some of the lost markets. Can this be accomplished? Responsible Chilean leaders believe so, but only if the confidence of foreign buyers can be regained by the assurance of a uniform, high-quality product at an attractive price. With this end in view, steps have already been taken toward the development of modern growing and handling methods, and particular stress is being laid on careful, reliable grading.

Chilean Methods

Chilean hemp produces an unusually large quantity of seed in proportion to fiber. Many farmers took advantage of this when they found that they could harvest and sell the seed at a price which would pay their expenses, and that they could later dispose of the fiber, even though of a lower grade, at pure gain. This was not an unmixed blessing because the non-seed-bearing plants mature and die about a month before the seeds on the other plants are ready for harvest. When the hemp is finally gathered, the dried plants, which in the meantime have deteriorated in quality, are collected with the green stalks, with a resultant mixture and down grade of all the fiber.

The disadvantages of this procedure from a fiber standpoint are now fully realized, and it is planned to encourage the growing of separate types of hemp for fiber and seed.

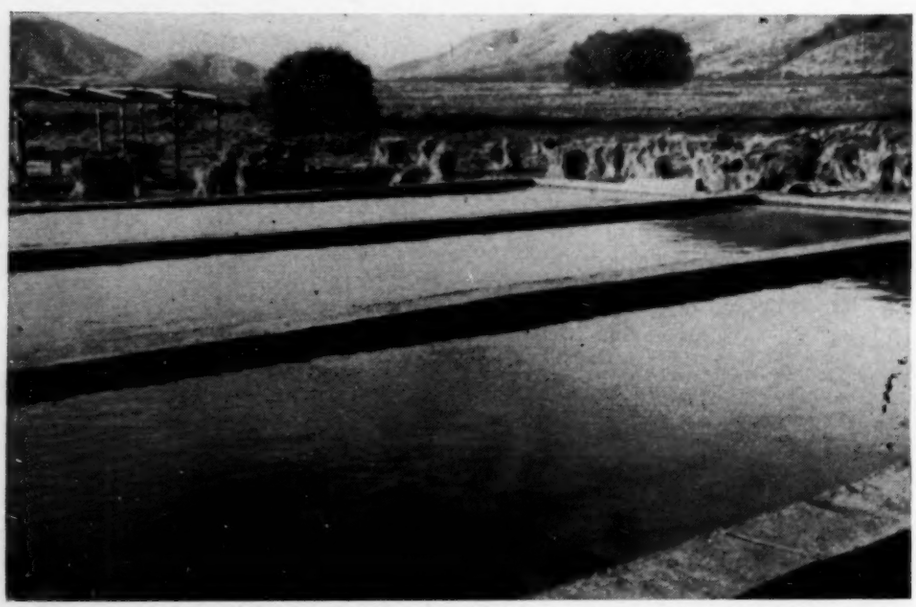
Effective mechanization would improve the product as well as reduce production costs. The present laborious method of pulling the stalks by hand takes much time and causes the fibers to become twisted and less valuable. A satisfactory cutting machine could eliminate such loss in quality.

After cutting, the hemp is spread on the ground for 4 or 5 days. It is then tied into small bundles and stacked, to complete the drying process and protect the plants from damp weather.

Later the plants are beaten against the ground to remove the seeds. Since this practice tends to break and further twist the fibers, the importance of a satisfactory machine to extract the seeds from the tops of the plants without injury to the fiber can readily be seen.

Retting Process

Next comes the retting process. This consists in soaking the stalks until the fiber can be easily separated from the



Group of canal "retters" (Chile) into which bales of hemp are placed. This system is more modern and permits more exact control of the retting process than in the case of open pools.

woody core. Extreme care must be taken to conclude the retting at exactly the right time. Insufficient soaking may result in injury to the fibers through the necessity of forcibly separating them from the core, and over-retting causes dissolution of the adhesive substance between the individual fiber cells. This weakens the fibers and greatly lowers their commercial value. Some centers in Chile have constructed extremely efficient retting canals equipped with transversal beams spaced at regular intervals to hold the packages of hemp submerged until they have passed through the entire length of the canal. The retting may require anywhere from 6 to 20 days, depending upon the weather and the temperature of the water. Higher temperatures result in more rapid retting than when the water is cool.

After removal from the canals or pools, the odoriferous mass is placed in loose stacks or stood against wires until thoroughly dry. Then begins the scutching operation—the process of separating the loosened fibers from the woody section of the stalk. Small bundles of stalks are run between rollers which crush the woody particles without injuring the fiber threads, and the remaining bits of wood are removed by a series of rotating metal blades. The fibers are then sent to marketing centers.

Aid for Industry

Most of Chile's hemp-growing regions are traversed by a network of good roads. Small growers use picturesque ox-drawn carts, but trucks are most commonly employed for hauling the scutched hemp to the dealers who ship it by rail to Valparaiso, the principal point of export.

To aid growers, as well as to promote foreign sales, a Government-sponsored cooperative, the Association of Hemp Producers (Asociación de Productores de Canamo) was formed in 1943. It was estimated that toward the close of 1944 the membership embraced about 80 percent of all Chilean hemp growers. Export licenses are issued to the Association which in turn may pass them on to exporters if that is deemed justifiable. Fiber is prepared for export in three large processing plants owned by the Association, which also operates several rented plants. Grading has been entrusted to the cooperative by the Government. Detailed specifications have been established and all hemp intended for export is placed in one of the following 12 classifications:

1. Recleaned Special (E/A Special).
2. Recleaned 1–A (E/A).
3. Recleaned Common (E/B).
4. Recleaned Dark (I/A).
5. 1–A, without recleaning (I/B).
6. Common, without recleaning (I/C).
7. Clean "cola" (tail), fibers 30 to 100 cm. in length (CL).
8. Common "tail" (C/C).
9. Clean tow (5 to 30 cm. in length) (Estopa L).
10. Common tow (Estopa C).
11. Fine, combed fiber (H/A).
12. Common combed fiber (H/B).

For example, to make grade 1, Recleaned Special, the fiber (among other qualifications) must be of a uniform, clear, glossy yellow color, retted exactly right, with fine, soft, and smooth threads, containing not over 12 percent absorbed water. It must be put up in small, orderly strands, free from stains and at least 1.6 meters long.

If strictly adhered to, such rigid classification is expected to satisfy the most scrupulous foreign buyers, because each purchaser will get exactly what he orders.

Total domestic consumption of hemp is between 3,500 and 4,000 metric tons annually. To utilize additional quantities, it is hoped to promote the manufacture of alpargatas (sandals) and other types of footwear and fabrics which are ordinarily purchased abroad.

Bales of hemp stalk ready to be placed in canal "retters."

Chilean hemp being passed through the rollers of a crusher for the purpose of separating the fiber from the hemp stalk. This machine is more efficient than the hemp brake machine.

Principal Hemp Concerns

One large company at San Felipe is said to handle about 50 percent of all hemp grown in Chile in normal times. It purchases hemp for export and sorts it according to color, length, and strength, into seven grades, four white and three dark. The darker colors are the lower grades and usually are the result of over-retting. In this classification process, approximately 10 percent of the product is rejected because of the presence of woody particles and short, broken fibers. This does not entail a serious financial loss because about 7 percent can be salvaged. It is mixed with flax, to impart added strength, and is manufactured into twine and rope on the company's own spinning machinery.

Another concern classifies its hemp purchases into two grades for export, depending on strength, cleanliness, and color. It makes rope, twine, drapery material, carpet backing, and sacks. Such items are made by small operators also.

A sack factory in Santiago produces approximately 4,000,000 sacks annually, from jute formerly imported from India. Since 1943 increasing quantities of their sacks are being manufactured from a mixture of hemp and jute, and even from hemp alone.

Constructive Program

Chilean leaders are eager to build up the hemp industry to fill at least partially an anticipated postwar decline in nitrate and copper exports. However, when fiber from the hemp-producing regions of Europe again enters world markets, Chilean hemp may have to face keen competition. Therefore, strict adherence to the Government program for improvement in all phases of the industry is being stressed.

This program includes export control, credit facilities, regulated production, increased domestic consumption, improved seed and cultivation methods, adequate warehousing, and general modernization and mechanization.

Chile's program to assure a bright future for the hemp industry has been launched.

Retting canal, showing bales of hemp submerged in water and held in position by transversal beams. The length of time of the retting process is of the greatest importance, because over-retting weakens the fiber and under-retting makes the fiber difficult to separate from the straw.

Sleeping cars are to be reinstated on Australian trains, and on some intra-State runs in New South Wales, according to a Government announcement of April 6. In addition, travel restrictions are to be relaxed slightly.

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SEAWEED in Industry—

{ No Longer Is Seaweed Merely Something That the Tide Drags in, or a Constituent in an Exotic Oriental Delicacy, or the Motif of an Uncanny Moment in a Noel Coward Film—Today It Becomes the Subject of Research and Industrial Projects, a Practicable Source of Textiles, Boards, Drugs, Paper, Glue, and Shoe Soles }

By VIRGINIA KINNARD, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

THE MASSES OF SEAWEED growing in rich profusion along many coasts have been of only casual interest to the average sojourner by the sea, who has had little idea of the possibilities existing in this branch of the marine family, and has probably been quite unaware that research forecasts a considerable number of industrial uses for the "harvest from the sea." Although seaweed has had limited uses for centuries, and to the botanist has long been an interesting study, offering an extensive field of investigation, recognition of its possible adaptation to a wide range of purposes is comparatively recent and largely a war-accelerated development, but one which has now penetrated to many widely scattered areas of the world.

Seaweed has been employed so far in three principal ways—in agriculture as feedstuff or fertilizer, for human consumption as food or medicine, and commercially for the manufacture of various chemical and industrial products. The expansion of this last-named field has been the subject of much experiment—which promises to continue and in which *British* research has been especially active. Seaweed-derived chemicals have been found to have numerous possibilities in the production of textiles, transparent paper, plastics, foodstuffs, sizing substances, and surgical, medical, and dental materials.

Mucilaginous substances derived from seaweeds may be separated into two general groups, one class being obtained from the red algae and the other from the brown; they vary in chemical and physical properties and composition from each other. The brown variety is the source of alginic acid, while the red algae produce other types of mucilages and gels. These plants of the sea grow in all sizes—from microscopic cells to the giant kelp of the Pacific, with branches more than a hundred feet long.

Basic Character and Classes

In addition to being known as red and brown algae, seaweeds may be classified as submerged weeds and rock weeds. The former grow in areas as deep as 5 fathoms, while the latter are found between low tide and the high-water mark. Storms separate seaweeds from the rocks or break the fronds and toss them on shore; in locations near the beds, and where currents and wind are favorable, huge quantities are left.

Most of the masses of seaweed deposited by the tide on European shores are brown algae, of which the two principal species are laminariae, found in deep water, and fucus, occurring in abundance in the intertidal zone. The laminariae have received particular attention; they are found in enormous amounts and were used for more than a century as a source of iodine. Although lamarin, one of the constituents of the laminariae, was discovered in 1885, methods for its extraction were unsatisfactory until recently, but now that it is available in quantity more is known about its properties. It is a good adhesive and might furnish sizing material, and is also a source of glucose. Mannitol may be extracted from the laminariae and employed as a softener for plastics.

In western Europe seaweed is not eaten so generally as in the Orient, where it has been extensively used for food for centuries, particularly in China and Japan. There seaweed is not only collected but cultivated; deep-sea cultivation has been conducted with the assistance of diving equipment. However, the red algae are consumed for food in Europe to some extent. Carragheen moss is used, for example, in the manufacture of jellies and food preparations, porphyra or sloke is cooked as a vegetable, and other varieties are eaten raw. Sloke has been exported from Ireland to parts of Wales, where, curiously, a demand for it exists among coal miners.

Carragheen moss is one of the most widely used of seaweed products; it has a jellylike consistency which makes it valuable for a variety of industrial uses. It was employed extensively during World War I as a gelatin substitute. Glue has been made from the red algae, but the most important product of this species is agar-agar, the best-known of the Oriental seaweed materials, and one which is much used in food and medicine. Japan was the leading producer of agar, but during the war a number of other countries have become interested in it. The red algae are found along the coasts of Britain, but so far the quantity has not seemed sufficient to warrant the establishment of an agar industry.

British Dominions Study Uses

In addition to discovering a seaweed which could serve as a substitute for agar, the Australian Fisheries Investigation Division has under consideration the manufacture of alginates from brown seaweeds for use as emulsion stabilizers and for other purposes. South Africa has been exploring its seaweed resources since the war, although mostly with the idea of producing agar, formerly imported from Japan.

New Zealand, too, is interested in seaweed utilization, while the Soviet Union has developed an agar industry, using the algae found along the Black Sea and other shores. Interest has been evidenced in Canada in an agar industry, and large quantities of moss and seaweed have been collected.

U. S. Activity

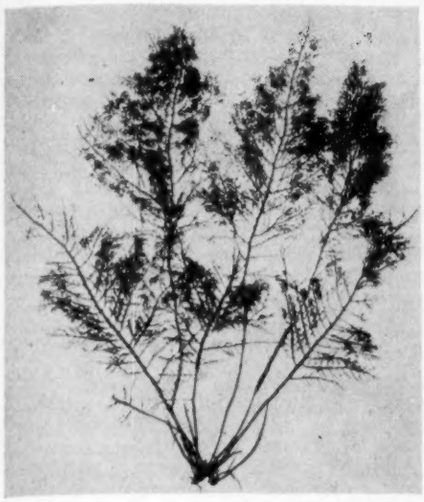
Since the outbreak of the war considerably greater interest in the use of seaweed has been manifest in the United States. Stalks up to a hundred feet long are being hauled in on the New England and California coasts and the algin salts used as emulsifying agents, some in camouflage paints and in latex coating for signal wires. One of algin's most important uses in the United States is as a stabilizer in ice cream. It is also employed in this country in leather finishing, for waterproofing concrete and fireproofing wood, for treating boiler water, in can-sealing compounds, and in making substances for dental impressions. Five factories are bringing in tons of kelp off the coast of southern California and extracting salts and gels.

Estimates place marine crops available off Point Conception in that State at 30,000,000 tons. A number of experiments with seaweed are being conducted on the Pacific Coast, and some species have been transplanted to the laboratory for study under controlled conditions; developments during the war may lead to the commercial exploitation of some types not previously used.

Already the value of seaweed products extracted in the United States amounts to about $3,000,000 annually. Alginates accounted for approximately $1,500,000 of the total in 1941. Efforts are being made to popularize seaweeds as food. They supply vitamins and minerals and could provide high food value, according to a scientist at one of our large western universities.

English and Scotch Projects

The United Kingdom is particularly concerned in the development of seaweed chemicals and hopes to expand the collection and processing of seaweed to the dimensions of a national industry.



Gelidium cartilagineum ("agarweed"), from La Jolla.

Such an industry has already been started in the Hebrides, where a British firm is attempting to process the weed on a large scale; a factory near Boisdale on South Uist has been completed and others are planned. This project has important possibilities and, if it assumes substantial proportions, will provide additional employment and income for the populations of those islands. A domestic agar industry would also be favorably received in Scotland.

Both actual users in the United Kingdom and those interested in seaweed's industrial possibilities are anxious to locate dependable sources of supply. Seaweed chemical enterprises in the British Isles have been operating principally on imports of raw material from Eire, and formerly from France, Norway, and Japan also. To reduce transportation costs, future development is expected to be centered close to areas producing the raw material. The coasts of western and southern England and western and northwestern Scotland are thought to have the most suitable seaweed resources. A survey of the types and quantities found on British coasts was made in 1942 by the Marine Biological Survey at the request of the Ministry of Supply. It is interesting to note that during this survey echo-sounding equipment was used probably for the first time as an aid to chemical research, when scientists employed this method to locate seaweed deposits on the Atlantic shore.

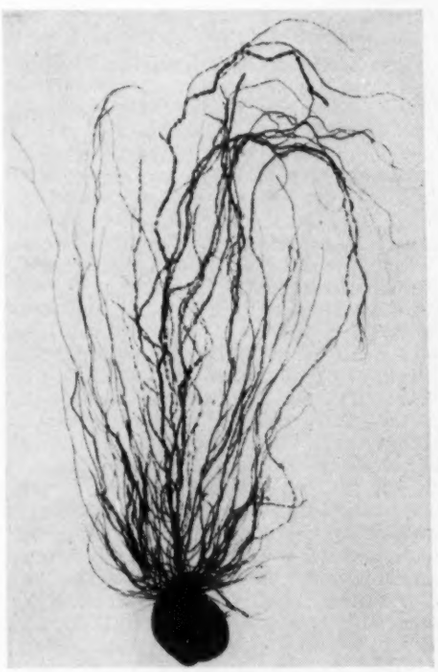
Many years ago a small but lively kelp industry flourished on the rugged coasts of western Scotland. Large quantities of the seaweed found in abundance there were collected, dried, then burned and the ash used as a source of alkali. Some potassium, sodium, and magnesium were obtained in addition to iodine, and were shipped south for medicinal purposes. Seaweed industries were also active on the shores of Ireland and Brittany. Later these smaller enterprises could not meet competition from Chilean nitrate as an iodine material and began to decline.

What Stanford Did

In 1883 the kelp industry attracted the attention of a London chemist, Stanford, first as a source of iodine. He then became interested in seaweed as a raw material for a variety of chemical products and was a pioneer in the manufacture of organic chemicals from seaweed, but his attempts to produce them as byproducts of iodine extraction were not successful. Seaweed's commercial value no longer resides in its iodine and potash content, since richer sources than kelp are now available for these. Interest has shifted to seaweed's mucilaginous substances, and it is on the organic material that a seaweed industry in the future will be based.

But though Stanford's projects failed commercially, his discovery of alginic acid was a noteworthy contribution to the chemistry of marine algae. During experiments to extract larger amounts of chemicals from seaweeds, he obtained a substance with unusual "gelling" properties. When treated with certain chemical compounds, a gelatinous mass was produced. After the material was filtered and purified, it was found to be an acid to which was given the name "alginic acid" from algae—seaweeds; it forms a series of metallic salts like a true acid.

Although the discovery of alginic acid awakened interest among chemists, it has been only in the past few years that its extraction has been established as an industry and its commercial importance recognized. Alginic acid is not a liquid but a dry substance which when examined under the microscope is found to possess fibers with a molecular structure resembling cellulose; opinions have differed on its chemical composition. The acid is readily obtained by boiling the weed with a dilute solution of sodium carbonate; after filtering, a thick, glutinous precipitate is formed which may be treated in a number of ways to obtain various products. This white powder forms viscous solutions which are tasteless, odorless, and almost colorless.



Gracilaria confervoides, from San Diego Bay.

Gelidium nudifrons ("hair agar"), from Laguna.

Research Association

As part of an effort to preserve and expand the industry's gains and encourage the manufacture of additional seaweed products, the Scottish Seaweed Research Association was organized in 1944 under the joint auspices of the Ministry of Supply and the Scottish Council of Industry. It also has the support of the Scottish Agricultural Organization Society. At first the Association will function principally as a fact-finding body, and its initial task will be the assessment of Scotland's seaweed resources. A further aim will be to produce from domestic sources an amount of seaweed at least equivalent to the quantity imported into the United Kingdom from Norway, France, Japan, and Eire before the war; these imports were valued at £150,000 annually. In accomplishing this, not only would the British seaweed industry be supplied with material but employment would be provided for a number of people by the creation of a crofting area in the Scottish Highlands and islands.

The Association's activities are divided into three principal branches. A Survey and Ecology Division will work on the development of reliable methods of survey of both the littoral and deep-sea varieties, collect samples, and note variations in type and quantity. The Engineering Division in its survey and collection work is operating a ship with specially designed equipment, and will also develop apparatus for surveys and for landing seaweed. It will assist crofters in collection and will investigate the pressing, drying, and milling of seaweed. Study will be made by the Chemistry Division of the composition of the various Scottish seaweeds, and information will be furnished to manufacturers of seaweed products and to users of seaweed for fertilizer and fodder. Experimental work relating to

seasonal variations in the organic and inorganic constituents of various types of seaweed will also be conducted by the Division.

Is Such Industry Feasible?

Plans have been outlined for a 2-year program, the results of which it is hoped will provide an adequate basis for determining what a seaweed-products industry offers Scotland. The feasibility of establishing a large seaweed industry, whether such an industry holds permanent promise, the location of sufficient supplies of raw materials, and the possibilities for utilization of seaweed—all these are questions which the newly formed association will attempt to answer. Its findings are expected largely to decide the future development of Scottish seaweed resources and industry, and its purpose is to produce results that will stand investigation by both technical and commercial interests. Leading scientists will assist the organization, and it will have at its disposal the facilities of existing research groups. Financial assistance has been promised, and, with other funds available from outside interests, the Association will probably have a capital of £50,000.

The *Prospecto*, the ship which will be engaged for 18 months in surveying the resources of Scotland's coasts, has been specially designed for this work and for the collection of deep-sea weeds. Submerged weeds present a more difficult harvesting problem, but some work has already been done in the Sound of Mull and in the sea lochs of Etive, Creran, Feochan, and Melfort. First investigations are concerned chiefly with the amount of seaweed available for cropping, the time required for growing, and the best and most economical methods of collecting and transporting the weed.

To "Farm the Crop"

Consideration is being given to the possibility of cultivating seaweed and to the creation of suitable rock beds, while experiments have been started to ascertain whether the ocean floor can be made to provide a holdfast for seaweeds. Inasmuch as silt obstruction has been one of the principal causes preventing growth, tests are being made to discover whether stones can be planted in such a way as to encourage the establishment of seaweed beds in areas where silting has interfered with development.

If it becomes possible to farm the crop on scientific lines, continuous stocks of raw material will be available; after regular harvesting begins, it may be necessary to regulate and restrict the cutting season. Most seaweed collecting is being done at present by crofters as part-time winter work, and some have earned as much as £50 a season.

It is planned to dry and mill the seaweed in coastal regions, but chemical experiments will be performed in Edinburgh. The weeds will be examined both at the Association's quarters in Oban and in laboratories at Edinburgh. New methods of extracting chemical constituents and obtaining derivatives will be tested and costs closely studied to determine whether Scottish seaweed products are competitive with those produced elsewhere. For the purpose of devising better methods of harvesting, research workers at Port Erin and other places are studying the rate of growth and reproduction of types considered to have industrial importance. These and other investigations are expected to continue and to be expanded greatly in the postwar years.

Far East Poses Problem

Without the fixing of definite locations for reproduction of seaweed in quantity and the development of low-cost methods of exploitation, Scotland cannot compete against the vast and easily harvested resources of the Pacific area. The Scottish Council on Industry is particularly concerned lest commercial interests extracting and using seaweed chemicals during the war should transfer their activities to the Far East—an outcome unfavorable to continuance of the progress that has been made in Scotland. Such action will probably result unless it can be established within the next few years that Scotland can furnish large supplies of the raw material. Firms in the United Kingdom using seaweed in the manufacture of chemicals, and business concerns interested in its possibilities in the fields of plastics and textiles must know whether material is available from Scotland and Eire in the larger quantities that will be needed.

The largest plant in Great Britain using seaweed is in Ayrshire, but a number of others are utilizing it in both England and Scotland. A single firm in the London area is said to consume 15,000 to 20,000 tons each year. Potential raw-material demand stemming from the use of alginic acid as the basis for new textiles seems largest so far, but the acid and its salts are being utilized for a growing number of purposes in other fields.

For Textile Fiber

One of the more interesting developments in seaweed research during the war has been the discovery that seaweed can be made into a textile fiber closely resembling some of the familiar rayon products. Alginic acid can be polymerized into very long molecules, and it is this complex chain structure which makes it possible to produce the thread. When the purified alkaline extract is forced through fine apertures into a bath containing certain chemical substances, a viscous thread is obtained which can be converted into a synthetic fabric. The threads are washed and sized with an ammoniacal solution of algin under pressure. Those first produced were not strong enough to be woven and not sufficiently resistant to alkali, so that further processing was necessary before they could be spun and woven; for stabilization they have been treated with solutions of alum or with chromium or beryllium salts. It was found that many of the dyes used on other fibers were also successful with seaweed.

Investigations conducted in the Textile Chemistry Department of Leeds University on the production of rayon from alginic acid led to the conclusion that a rayon satisfactory in appearance, strength, and feel can be obtained by extruding a solution of sodium alginate into a coagulating bath containing calcium chloride, hydrochloric acid, and olive oil. In 1934 the Japanese claimed to have produced initiation wool from gulfweed (*Sargassum*) by spinning the thread into a bath which gave a crimping effect. Contracting the long chain molecules has been found to result in a crimped fiber.

Significant Variety

Seaweed rayons, resistant to boiling water and acids and noninflammable, are said to be as strong as the usual types of viscose and acetate rayons. Probably the most interesting is the variety which was first rejected because of its solubility in alkali. However, it has now been put to a number of unusual uses and seems to offer special possibilities to textile designers. Using this type of seaweed rayon, a new and simpler method of making fabrics from mohair with a looped surface resembling astrakan cloth has been developed. Mohair and calcium alginate rayon threads are twisted together, using greater speed for the mohair which is thus wrapped around the alginate, the resulting yarn having longer lengths of mohair. In scouring the fabric the alginate is dissolved, and the extra length of mohair thus released produces the astrakan effect. This is said to be a much simpler and less expensive process than the methods customarily employed. Seaweed rayon, it is claimed, is now being made commercially in the United Kingdom especially for this purpose, and it is expected that its scope will be enlarged to include new materials obtained in combination with wool, cotton, viscose, and acetate yarns.

Stockings From Seaweed?

Although attractive fabrics have already been knitted and woven from alginic acid fibers, they need further stabilization. A problem still demanding attention is the difficulty of obtaining a uniform quality of seaweed which will permit production of a standard grade of fiber, one that always has the same strength, luster, and dyeing properties. If this is not possible, then means must be devised to obtain uniformity by chemical treatment. The use of alginic acid in textile-making is still in its infancy, but even the manufacture of hosiery from seaweed fibers is not an impossible idea. This combination of difficulties and possibilities in developing seaweed fibers challenges the ingenuity of the chemist. Perfecting the fiber and eliminating its disadvantages are goals of the extensive research now being conducted in this branch of seaweed chemistry.

For Paper Making, Too

Seaweed's possibilities as a paper-making material have been investigated from time to time, and it has been found to

(Continued on p. 17)

MEXICO in 1944—

War's Impacts and Looming European Peace Were Main Influences

MEXICO'S ECONOMIC SITUATION in 1944 reflected the impact of the war, but the anticipation of peace was also a conditioning factor, perhaps for the first time since the outbreak of war. Partly as a result of the latter consideration, the year's over-all operations in several industries were of lesser volume than in 1943. However, for the most part, industry and agriculture continued to flourish; unit prices of manufactured goods and farm products were generally higher than during the preceding year, and demand was well maintained.

Digested From a Report by L. B. CLARK, *Senior Economic Analyst, U. S. Embassy, Mexico City*

High Lights of the Year

Domestic business was active throughout the year, and in many lines Mexican factories were called upon to supply goods that could not be obtained from abroad. Prices rose steadily during the first half of the year despite Government efforts to hold them down. In the latter part of the year, however, there was a tendency for prices to level off.

Mining activities, most important of any single export group to Mexico's economy, reacted most strongly to the impact of early peace rumors. The anticipation of cut-backs and reconversion in United States war industries using Mexican raw materials was substantiated by the action of United States Government buying agencies in reducing the prices on some minerals and curtailing the volume of orders. The industry was also importantly affected by labor troubles in midyear and by transportation difficulties throughout the year.

The main weakness in Mexico's general industrial situation in 1944 was the failure of fuel supply; power was generally deficient, and in many cases its lack reduced operations by as much as 50 percent of capacity. The more remote areas of the Republic were especially hard hit by the lack of fuel, but Mexico City and other regions nearer to the oil fields and refineries also felt the shortage of oil and gasoline. Expansion of industry, growth of population, and deficiencies of transport were chiefly responsible for the fuel shortage.

Raw materials were generally available in ample reserves, equipment was little or no worse than in 1943, labor in skilled and semiskilled categories was sufficient, and labor disturbances did not seriously depress output. Many factories worked double shifts, and a few such as steel, cordage, brewing, and textile manufactures, operated 24 hours a day.

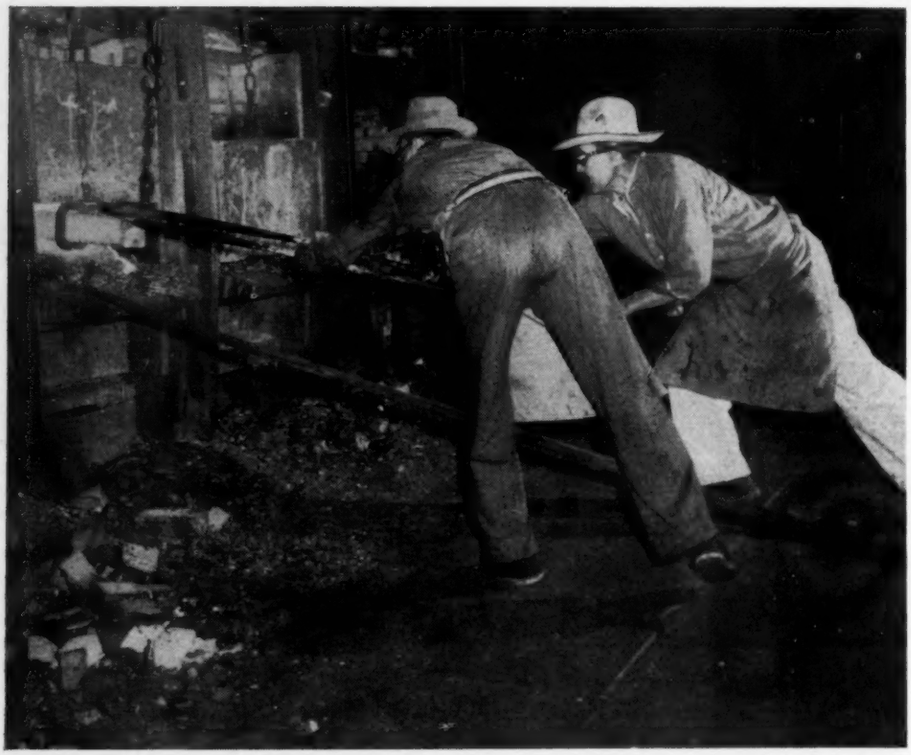
The over-all showing of agriculture was favorable despite the continuation of handicaps suffered since the beginning of the war. Imported supplies of agricultural equipment were limited, although the United States made every effort to furnish indispensable items; transport, both land and water, was inadequate; rising costs and, in a few instances, labor shortages were experienced; fertilizers and disinfectant chemicals were high-priced and often impossible to obtain; and there were the usual farming hazards of extended droughts and damaging storms. Despite all these obstacles, the main cash crops moving chiefly into export—henequen, bananas, coffee, cotton, chickpeas, and pineapples—were estimated to be in equal or better volume than for recent previous years. Firm cash markets and stable prices prevailed for these items throughout the year. Harvests of foodstuffs grown almost exclusively for domestic consumption also gave indications of satisfactory or better than average results. Among these were corn, wheat, beans, rice, sugar, and potatoes.

Livestock growers experienced a comparatively poor year in 1944. Protracted drought in the north was detrimental to satisfactory conditioning of cattle. Export trade in live cattle was at a low ebb as a result of Mexican controls and diminishing interest on the part of United States buyers. On the other hand, there was much more interest in 1944 in the importation of hogs, sheep, goats, and even cattle.

Forestry operations in 1944 showed no important departure from those of previous years. War demands from the United States continued strong, particularly for hardwoods. Domestic needs for finished lumber and timbers were maintained on a high level by building and mining operations, the former being exceedingly active throughout the year. Plywoods and veneers went to a large extent into containers used for shipping winter vegetable and other crops, canned goods, and general merchandise. The national industry is now in a position to supply substantially the entire requirements of Mexico for these types of lumber, particularly in the ordinary and lower-grade veneers and plywood.

Financial policies of the Government were not importantly altered during 1944. Service on the public debt was maintained throughout the year, but no definite step was taken by the Government to regularize the existing default situation with respect to bonded indebtedness of the National Railways. Customs collections reflected the passive trade balance of the year. Duties on imports ran consistently greater than for 1943 and were similar in pattern to the previous record imports of 1941. Net yields from export-tariff charges after subsidy repayments were lower

Chapultepec Castle. O. I. A. A. photo



O. I. A. A. photo

At the Monterrey Steel Mills: Taking a billet from the furnace.

than for 1943, but exceeded by a wide margin any year previous to 1943.

Concessions were granted in 1944 for the opening of 9 insurance companies and 20 financial institutions, more than one-half of the new banks being for places outside of the capital, and several dedicated to special phases of banking, such as cattle, electrical development, textile credit, and mortgage credit. No banking or commercial failures of importance were recorded. For the most part collections were satisfactory. Credit conditions on acceptable business risks were generally easy, with a tendency, encouraged by Government stipulations, to favor industrial and agricultural development. Interest rates were lowered substantially on attractive loans to absorb bank deposits, which continued to be greater than normal.

These ample funds reflected deposits of high cash returns from commercial and industrial enterprises, and generally good business in agricultural and mining activities, tourist expenditures, and remittances from the 150,000 Mexican workers employed in agricultural and railroad jobs in the United States. The exaggerated influx of speculative funds from the United States, which was an important and for a while an alarming feature of Mexico's financial situation in 1943, was a negligible factor in 1944. Investment capital from the United States continued to flow into Mexico in volume.

Living Costs—Price Control

Price indexes covering the general field of essential articles entering into the cost of living in Mexico increased impressively in 1944, although not quite so much as in 1943. The general wholesale index for the Federal District stood at 237.9 on December 31, 1944, compared with 200.8 at the end of 1943, and 155.3 in December 1942 (1929=100). The chief cause of rising living costs in Mexico during the past year was failure sufficiently to control inflationary developments within the country. Wage increases, overtime employment, creation and exploitation of shortages, work slow downs, tourist expenditures, and even the migration of workers to the United States, all come in for a share of blame when the subject of rising living costs is discussed. The brunt of inflated prices was borne by the middle- and working-class groups, living on more-or-less fixed incomes. Wages of industrial workers were advanced in nearly every line of business, both in 1943 and 1944, but invariably failed to keep pace with rising costs. As a result, considerable unrest developed in this important segment of Mexican economy.

Responsibility for price control was transferred by Presidential decree of January 18, 1944, from the Ministry of National Economy to the Ministry of Finance and Public Credit. Furthermore, by decree of February 9, 1944, control of the Nacional Distribuidora y Reguladora, S. A. (National Distributing and Regulatory Society) was transferred to the Ministry of Finance, as was the function of export control, except in regard to commodities exported under international contracts, which remained under the control of the Ministry of National Economy. Price control was administered by the Ministry of Finance from February to late October 1944, with little new legislation. Effective March 14, prohibitive export duties were imposed on oil-bearing seeds, edible fats and oils, and toilet soap, in order to stop or deter exportation of these commodities. Substantial imports of foodstuffs in short supply such as wheat, corn, lard, and sugar, were made by the Government. Income-tax payments were put on a pay-as-you-go basis for the purpose of withdrawing money from circulation, and other fiscal measures were taken. Leases on dwellings were frozen for the duration of the emergency, rents already having been frozen. Distribuidora was granted extended authority over certain commodities, such as vegetable oils and corn. The control of prices for medicinals was vested in the Ministry of Health.

Despite all these efforts, the general wholesale index, which stood at 201.0 in January when the Ministry of Finance took over price control, had risen to 234.5 in June, and 236.3 in October. On October 25, 1944, the President signed a decree transferring to the Department of the Federal District a large part of the responsibility for price control and providing heavy sanctions for violations of price-control measures. The Department has much greater legal and physical resources within the Federal District than does the Ministry. The first list of new prices under the reorganized administration was published on November 24, and included for the Federal District sesame, rice, peanuts, coffee, beans, wheat, beef, milk, lard, sugar, tortilla dough, white bread, salt, tortillas, forages, certain fish, corrugated iron bars, and pipe. Similar prices were established for the rest of the Republic on November 29, effective in early 1945; State Governors, local authorities, and representatives of Federal Agencies were made responsible for the administration of price control outside of the Federal District. The general wholesale price index dropped from 240.3 in November to 237.9 in December.

There has been little attempt at official rationing in Mexico. Some effort was made to control distribution of tires but the immediate result was the development of a black market which persisted throughout 1944. Gasoline rationing for a short period in the Federal District at the time of the September pipe-line break was reasonably successful. Scarcity of supply frequently caused unofficial rationing during the year by dealers of such items as kindling, charcoal, lard, sugar, milk and kerosene.

The fight against inflation in 1944 was more vigorously prosecuted than ever before, and it is undoubtedly true that prices would have been higher if no such action had been taken. Discounting shortages, transportation problems, enforcement difficulties, speculation, and all the other factors occasioned by the war, there is reason to believe that the rise in the general price level is an unescapable concomitant of Mexico's economic development, which the war has greatly accelerated.

Finance

Government income, and financial conditions in general, were greatly stimulated during 1944 by boom activity in many lines of business, including con-

struction, development of new industries, large public-works expenditures, and retail trade. Note circulation increased from 1,170,846,000 pesos on December 31, 1943, to 1,358,338,491 pesos on December 31, 1944. Deposits and sight obligations of the Bank of Mexico increased from 732,300,000 pesos on December 31, 1943, to 1,058,056,376 pesos on December 31, 1944. Metallic coins in circulation on the respective dates amounted to 446,804,110.75 pesos and $528,243,076.96 pesos. The ratio of metallic reserves to note circulation, deposits, and sight obligations of the Bank of Mexico was maintained at 25 percent, the surplus gold, silver, and foreign exchange held by the Bank of Mexico being maintained in special "investment" and "stabilization" accounts.

Bank loans were large in volume, but were prevented from increasing unduly by means of an agreement signed with the Bank of Mexico. Loans in December 1943 were 683,601,000 pesos and in October 1944 they were 776,362,000 pesos. The percentages devoted to production and commerce, respectively, were 52 percent and 48 percent in December 1943, and 57 percent and 43 percent in December 1944. Sight deposits of associated private banks increased from 1,232,965,000 pesos on December 31, 1943, to 1,588,793,000 pesos on December 31, 1944. During the same period, time deposits and obligations increased from 280,374,000 pesos to 385,123,000 pesos. Reserve requirements for Federal District banks were increased by the middle of the year to 50 percent, and for country banks to 35 percent.

In October the Bank of Mexico purchased a controlling interest in the Pan American Trust Co. of New York, thus in effect establishing a branch in the New York financial community.

In the foreign-exchange field there was little movement outside of dollar and sterling funds. Rates on these currencies were practically unchanged throughout the year at 4.85 pesos and 19.60 pesos, respectively.

The Federal budget for 1944 was originally established at 1,101,815,699.34 pesos and subsequently revised upward to the record figure of 1,571,925,491.80 pesos. Income during 1944 was tentatively registered at 1,285,123,839 pesos, both income and expenditures constituting an all-time record. There were no notable changes in the tax structure during the year. The four largest sources of revenue were, in order of importance, the income tax, the tax on industry, export taxes, and import duties. The Mexican Government made prompt payments on the public debt to the United States on account of Agrarian and Special Claims, as well as for the Petroleum Expropriation, and made certain payments to the United Kingdom and France.

Foreign Trade

Mexico's foreign trade in 1944 surpassed in value that of any previous year in the country's history, combined imports and exports totaling 2,396,481,000 pesos or $494,100,000 (United States currency). Imports were valued at 1,348,635,000 pesos, which was also a new high for Mexico. Exports were valued at 1,047,846,000 pesos, about 81,627,000 pesos below those of 1943.

The 1944 excess of imports over exports, consisting of 300,789,000 pesos, was the second instance in Mexico's recent commercial history of an import balance of trade, the other year being in 1941. In 1943 there had been an export excess of 219,853,903 pesos.

The chief reason for the import balance in 1944 was the necessity for heavy purchases by Mexico of foodstuffs to make up for shortages in domestic production—imports of wheat and corn alone were valued at more than 300,000,000 pesos. Large quantities of sugar, lard, wheat flour, canned milk, soups, and other processed foods were also purchased. Another factor was the general easing of supply and removal of certain export restrictions in the United States and other world sources, enabling Mexico to buy many needed manufactures as well as industrial equipment, raw materials, and even luxury goods.

On the other hand, exports displayed a tendency to taper off, and lower prices prevailed abroad for certain strategic commodities as war demands slackened in midyear. Mexican restrictions on the exportation of numerous articles, the unbridled shipment of which it was felt was producing undue scarcities in the country, acted to retard the movement of some lines to foreign markets, as did the imposition or increase of export tariffs on many manufactured items, and on agricultural and forestry products.

By the end of 1944 Mexico's trade with the United Kingdom and Europe had dwindled to less than 2 percent of the value of its total foreign trade. Mexico did considerable business with those important world markets before the war, buying more than one-third of its total import values from them in 1938, and selling 30 percent of its exports to them in that year.

The United States was Mexico's best customer in 1944, taking 85 percent of the country's total exports and selling to Mexico 85 percent of total imports. Mexico imported greater amounts, by value, from the United States in 1944 than it had acquired from the entire world in any prewar year. Although these ratios were slightly lower than for 1943, the absolute value of trade between the two countries was 13.7 percent greater in 1944. The prewar ratio of Mexican-United States trade to Mexico's total was about 63 percent.

As a result of the war, Mexico's trade with other Latin American countries reached the peak of 10.1 percent of the value of its total trade. The comparable figure in 1938 was only one-half of 1 percent. Although the scope of this trade in 1944 extended from Guatemala to the Straits of Magellan, Argentina was particularly important, ranking second only to the United States in its ratio of trade with Mexico. It is doubtful that this expanded trade with Latin America will long survive at the wartime level when competition from other sources is again active. For example, one of the most important factors in Mexico's extraordinary increase of exports to its sister republics of Latin America during the war years has been the rise in volume of its shipments of cotton textiles. In 1944 this business is estimated to have been in excess of 100,000,000 pesos, of which at least 75 percent is reported to have been with the other Latin American countries. Owing to several factors, Mexico's manufacture of textiles is definitely on a high-cost basis as compared

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Sturdy Mexican farm worker. O. I. A. A. photo

Late AIRGRAMS

Reports Submitted by Offices of the U. S. Foreign Service

Paraguay

(From the U. S. Embassy, Asuncion)

Frost late in June damaged sugarcane and retarded growth of other crops. The country is also suffering again from lack of rain, so the growth of agricultural products already planted for next season is unsatisfactory, and the agricultural outlook is increasingly gloomy. Preliminary estimates place the loss of sugarcane due to frost at 40 percent of the yield expected a month ago. Fruits, including bananas, oranges, avocados, and pineapples, will also show reduced yields. The only product that does not seem to have suffered is wheat. Added to the unsatisfactory yield of cotton, Paraguay's major agricultural export, the reverse suffered by sugarcane is an unfortunate development.

A Paraguayan State Merchant Marine was established on June 27 with the promulgation of decree law No. 9351, which provided for capitalization of the new entity at 20,000,000 guaranies.

Shipping has been resumed, and the condition of the river has been satisfactory, although there have been temporary declines in river levels.

All 3 meat-packing plants have continued working full time, but the effects of the continued drought are now appearing in lower liveweights of the animals reaching the plants, and estimates of the total number of animals that will be obtained from Argentina have increased from the 80,000 reported a month ago, to 90,000 or even 100,000. Shortage of tin plate is another problem. Unless it is possible to divert tin plate, now en route, from Argentina to Paraguay, packing plants will not be able to continue present rates of production, but, if the plate arrives in August, production should exceed that of last year.

The law increasing minimum wages, effective July 15, and a revenue measure covering stamp paper, have so increased production costs of canned corn that they may exceed the present sales price.

Despite the lack of shipping during the last 3 months, foreign trade is still well above last year's levels. Imports and exports for the first 4 months of 1944 and 1945 are given below:

[In thousands of guaranies [1]]

Month	Imports		Exports	
	1944	1945	1944	1945
January	3,551	4,821	2,701	5,312
February	2,947	4,735	2,220	4,389
March	3,081	4,000	3,998	3,968
April	2,882	3,981	3,947	4,196

[1] The legal rate of exchange of the guarani is 3.09 per U. S. dollar.

Cost-of-living indexes increased in June for immediate consumer goods, but the general index remained unchanged.

In June, Paraguay transferred £70,000 to England in resumption of payments on principal and back interest on the loans obtained in 1871–72. The exchange was provided by the Bank of Paraguay by means of a National Treasury bond for the same amount, bearing 3 percent interest. Amortization and interest of this bond will be met from export duties on hides and yerba mate. Exchange rates remained unchanged. A comprehensive revision of the exchange-control law is contemplated.

The balance sheet for the Bank of Paraguay continued to show a slight increase in the amount of money issued, attributable primarily to the demands of exporters who had been delayed in their deliveries by transportation shortages. Comparative figures are given below:

Bank of Paraguay Statement

[In millions of guaranies]

Item	1945	
	May 31	June 30
Gold holdings	3.3	3.3
Foreign-exchange holdings	25.6	27.0
Bank's obligations	7.6	8.3
Bank's net reserves	18.0	18.6
Money in circulation	28.6	28.6
Other bank deposits in Bank of Paraguay	14.9	15.7
Total money issued	43.5	44.3

Nicaragua

(From the U. S. Embassy, Managua)

Perfect agricultural weather continued throughout June and the first half of July, with hot sunny days interspersed with heavy rains. Corn planted the middle of May has already reached a height of 6 feet in some fields, and a crop of very tiny ears, called "chilotes," has already been harvested. Chilotes are eaten boiled, cob and all. The Nicaraguan Government has instructed that a census of stocks of corn be taken immediately to determine whether there is an exportable surplus available before the new harvest. The exportable surplus of coffee is now estimated at about 188,000 bags of 60 kilograms each instead of earlier estimates of 180,000 bags and the early estimate of the Coffee Board of 197,000 bags. The sesame-seed crop of the last harvest is now estimated at about 6,500,000 pounds instead of the earliest estimates of between 6,000,000 and 7,000,000 pounds.

By June 30 the National Bank had loaned 4,248,917 cordobas or $849,983 for agricultural purposes, including 746,059 cordobas for 3,789 manzanas of sesame; 822,810 cordobas, 2,952 manzanas of cotton; 1,642,188 cordobas, 6,437 manzanas of rice; 121,230 cordobas, 1,081 manzanas of red beans; 606,118 cordobas, 6,746 manzanas of corn; 34,585 cordobas, 407 manzanas of small grains; 230,691 cordobas, 982 manzanas of sugarcane, and 45,443 cordobas covering 347 manzanas of unspecified products except that 4,400 cordobas covered 20 manzanas of peanuts, making a total of 22,732 manzanas covered by the aforementioned total loan.

Dollar exchange continued in short supply and was strictly controlled. The National Bank has promised an additional $200,000 to cover imports of agricultural implements, some $170,000 having been allotted for this purpose earlier in the year.

On June 30, 1945, the Stabilization Fund contained $7,509,855, a decrease of more than 3 percent in 1 month and of 22 percent in 1 year, but an increase of 13 percent in 2 years. Total circulation was 46,512,975 cordobas compared with 38,325,293 cordobas 1 year ago. Deposits on April 30, 1945, totaled 47,762,981 cordobas, compared with 52,108,691 cordobas on April 30, 1944. Internal-revenue collections in June were reported at 1,656,922 cordobas, compared with 1,404,803 cordobas for June 1944. The total of Nicaragua's external debt as of March 24, 1945, was reported to be $5,083,423, whereas the total public debt, as of December 31, 1944, was $5,378,719 instead of $5,214,719, as reported earlier.

Exports during June included 4,685 bags of coffee weighing 730,158 pounds, 5,000 bags of cottonseed weighing 517,200 pounds, 323 bags of crude wild rubber weighing 30,679 pounds, 520 bags of sesame seed weighing 80,156 pounds, 15 drums of balsam weighing 7,000 pounds, 177 bales of wild-animal skins weighing 26,412 pounds, and lumber products, all going to the United States except the cottonseed and sesame seed, which went to Costa Rica. Total exports of sesame seed to Costa Rica to date have amounted to 35,364 bags weighing 5,525,663 pounds. Coffee exports to date have been 136,456 bags weighing about 20,000,000 pounds compared with 180,134 bags during the similar period of 1944, a decrease of nearly 25 percent.

About 75 percent by weight of imports in June originated in Aruba, consisting of petroleum products, and about 24 percent in the United States, consisting of building materials, iron, steel, and hardware products, flour and other foodstuffs, chemical and pharmaceutical products, machinery, refined petroleum products, malt, glassware, cotton textiles, and general merchandise. Mexico supplied a

small amount of cotton textiles. Imports of agricultural implements into Nicaragua during the first 6 months of 1945 were estimated roughly at 150 long tons, all from the United States.

With the settling of the La India mine strike early in June, the strike situation became much quieter, and there were no other strikes of importance during the month. Some difficulty, however, was reported from the logging sections in the eastern part of the country. Unemployment remained at a minimum.

Shipping during June appeared to have been about 150 percent greater than during June 1944 with the arrival of some 10 vessels averaging 1,082 net tons compared with some 11 vessels averaging only 393 net tons in June 1944. Merchandise traffic through the ports of Nicaragua, however, appeared to have been lower in June than in May 1945 because of the smaller shipments of wild crude rubber, sesame seed and coffee, and the season of large exports appeared to have just about reached its end. On the other hand, imports appeared to have been larger in June than in May.

Cigarette production in the second quarter of 1945 is reported at more than 105,000,000 cigarettes, a decrease of less than 1 percent from first-quarter production of 106,000,000 but an increase of 25 percent over second-quarter 1944 production of only 84,200,000, whereas cement production was 18 percent below first-quarter production but 42 percent above production in the second quarter of 1944; and match production was 26 percent above first-quarter production and 94 percent above production in the second quarter of 1944. Production of electricity at the Managua plant alone during the second quarter amounted to 1,643,710 kw.-hr., a decrease of 3 percent from the 1,754,300 kw.-hr. produced in the first quarter and a decrease of less than 1 percent from the 1,632,700 kw.-hr. produced in the second quarter of 1944. Gold-mining activity during May and the first half of June was slightly less than in preceding months because of strikes and labor agitation.

In view of the absence of an official index it is difficult to determine the trend of the cost of living in Nicaragua, but reports indicate a slight increase. It is reported that the price of rice has risen in some places to 16 cents a pound, and corn has risen to $2 a bushel. Because the taxes on cigarettes were increased from 0.12 cordoba to 0.25 cordoba a package and the liquidation of import duties was increased from 4 cordobas to $1 to 5 cordobas to $1, the retail price of Esfinge cigarettes, a local brand with imported tobacco, was increased from 0.75 cordoba to 0.90 cordoba a package of 20, and the price of Virginia cigarettes, a similar brand, was increased from 0.60 cordoba to 0.75 cordoba while the prices of Valencia, Gallita, and Montecarlo brands remained unchanged because they contain only locally grown tobacco. It is reported that the retail price of cheese has risen from 0.80 cordoba to 1.20 cordobas a pound.

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Seaweed in Industry

(Continued from p. 12)

possess properties useful in the manufacture of transparent papers. When tannic acid is added to an alkaline solution of algin and the mixture violently agitated, the compound emulsifies and, after being poured on glass or a polished surface, yields a transparent film resembling cellophane.

This film is said to be practically nonflammable and not greatly affected by light, besides being inexpensive to produce. It has already been used for wrapping purposes in Great Britain.

A British firm is using seaweed for the manufacture of sodium, ammonium, and triethanolamine alginates. The company reports a growing demand for one of its products, a fine light powder which dissolves to form viscous solutions, and which has been used for a number of industrial purposes during the war. Two grades of this material are made, from which solutions can be obtained with a wide range of viscosity. The firm can also produce other salts of alginic acid as they are needed.

Jellies, marshmallows, and pudding powders can all be made from sodium alginate; by altering the process, adhesives and glues are produced. Alginic acid is also useful in the manufacture of cosmetics. Added to milk before it is dried, alginates make the powder more soluble, and they can also be used with cocoa. In small quantities seaweed is used in the manufacture of ice cream and toothpaste.

Purposes Are Manifold

When the precipitate of alginic acid is treated with coagulating agents such as carbon disulfide and carbon tetrachloride, the mass becomes rubbery and can be used to make typewriter rollers and for similar purposes. A material derived from seaweed has been utilized during the war for shoe soles. Alginates have also found use in photography, and in the manufacture of polishes and boiler feeds. The Chinese have used seaweed derivatives as glue and to render silk and paper transparent. The colloidal properties of alginates give them value as creaming agents. Sodium alginate may be used for sizing, finishing, and waterproofing textiles, and as a thickener for basic dyes.

One of seaweed's oldest and most extensive uses has been as a fertilizer in maritime regions. Its value for this purpose probably resides in its organic materials and mineral salts, since it contains little nitrogen. Driftweed has been used mostly, but in some cases the weed is cut and harvested if coastal conditions are favorable. Seaweed has been cultivated on a small scale in Northern Ireland for use there as a fertilizer. In Eire it has been successful for potatoes, sugar beets, mangolds, cabbages, and clover.

Seaweeds also furnish fodder; they are fed fresh to animals or stored in layers with hay to make silage for winter feeding. A Glasgow firm has set up a plant in the Orkney Islands to produce seaweed meal for feeding livestock. In Eire the weed is transported to plants where it is dried and ground into meal and then mixed with other feeds. Experiments recently conducted there on the value of laminariae as food for hogs showed the seaweed meal to rank between hay and oats as a feedstuff and to have twice the nutriment of potatoes.

Irish Keenly Interested

Great interest has been displayed in Eire in the work of the Scottish Association, and its activities are being closely followed by Irish interests. Eire is a potential producer of seaweed-based chemicals, and, under Government encouragement, some investigation has already been made of the several aspects of the industry. If results in Scotland prove that seaweed industries are economic, they could be established near coastal areas in Eire and would provide for that country chemical and other products now lacking. The seaweed survey in Eire, which revealed beds of useful varieties in Galway, Clare, Kerry, and Cork, has been taken over by the Industrial Research Council; work previously done by the Bureau of Scientific Research was concerned principally with discovering an acceptable substitute for agar-agar, and it is reported that an agar of good quality is being manufactured commercially.

Eire is continuing research on the production of sodium and calcium alginates, but wartime difficulties in obtaining equipment and solving technical problems have prevented large-scale commercial manufacture. During investigations at University College, Galway, where the chemistry department has been actively interested in developing seaweed products, attention has been centered on the production of crude calcium alginate, which is now being made and used as a size for rope, twine, cotton and linen thread, and also as a substitute for wool oil, which is in short supply. Woolen mills report that the sodium alginate is not quite as satisfactory as wool oil but that it can be washed away more readily than an animal-fat oil. Other experiments at the college have shown lamarin to be a source of alcohol as well as glucose.

Seaweeds Make Boards

Building materials, too, have been produced in Eire from seaweed. Boards made at the Galway experimental plant were of good appearance and held screws and nails well, the Industrial Research Council reported. They were made from the residue after the salts were extracted and were reinforced with fibrous material, such as wood or straw pulp. Reports from a London laboratory where the boards were sent for testing indicated their suitability for a number of commercial purposes. They are classed as an intermediate between a hard board and an insulation board. The pressure used probably was not sufficiently high to produce a hard board, and it is planned to increase it so that the seaweed material

(Continued on p. 42)

News by COUNTRIES

Brazil

Tariffs and Trade Controls

Chemical Wood Pulp: Import License Required.—Chemical wood pulp was included among the commodities requiring import licenses in Brazil, by Order No. 91 of June 18, 1945, issued jointly by the Ministers of Finance and Foreign Affairs, and published in the Diario Oficial of June 20.

The import license control system was originally instituted by Order No. 7 dated January 22, 1945, which was announced in FOREIGN COMMERCE WEEKLY of February 10 and 24.

"Gold-Filled" and "Gold-Plated" Considered Synonymous for Customs Duty Purposes.—For the purpose of collecting import duties in Brazil, it has been declared that no distinction should be made between gold-filled and gold-plated articles, by the provisions of Circular No. 30 of June 23, 1945, issued by the Minister of Finance, and published in the Diario Oficial of June 23.

The new ruling specifically mentions eyeglass frames, but it applies also to all articles on which the tariff wording mentions gold-plated but omits reference to gold-filled articles. Prior to this clarification of the Brazilian tariff, customs inspectors maintained that the term "gold-filled" was not synonymous with "gold-plated" and that gold-filled articles should be considered as of solid gold and assessed duties on that basis.

Canada

Exchange and Finance

Exchange Control Board Eases Dividend Payment Restrictions.—The Foreign Exchange Control Board of Canada has indicated that it is prepared to consider applications by publicly owned companies with established dividend rates to continue dividend payments at those rates for a limited period even though their undistributed current earnings, as defined in the Board's regulations, are not sufficient to cover such payments because of a temporary reduction of profits during the reconversion period. Companies seeking approvals of dividend applications on this basis will be required to show reasonable grounds for expecting that their earnings within the next few years will be sufficient to make up any permitted overdistribution.

Under the Foreign Exchange Control Regulations, a Canadian company having any nonresident shareholders requires a permit from the Board to make dividend payments, and heretofore such permits have normally been granted only when the dividends were being paid out of earnings made since the commencement of the war. No permit from the Board is necessary for dividend payments when all the shareholders of a company are residents of Canada and Newfoundland.

Tariffs and Trade Controls

Reduced Rate of Duty and Exemption From War Exchange Tax on Rayon-Cotton Fabrics Extended.—The current temporary reduction in import duty from 36 percent ad valorem and 40 cents per pound to 33⅓ percent ad valorem only on rayon-cotton fabrics to be used in the manufacture of clothing when imported into Canada from the United States and other intermediate tariff countries has been extended until the end of the calendar year 1945, according to a customs memorandum issued by the Department of National Revenue, Ottawa, on June 4.

The order continues for the same period the exemption from the war exchange tax of 10 percent ad valorem.

The goods affected are defined specifically (tariff item 561b) as "woven fabrics of cotton and not more than 50 percent by weight of synthetic textile fibers or filaments for use only in the manufacture of clothing."

The lower duty on these goods was originally effective for the period November 1, 1944, to June 30, 1945. The extension for a further period is on the recommendation of the Wartime Prices and Trade Board which states that the reduced rate is the ad valorem equivalent of the average rate of duty now being paid on woven fabrics, wholly of cotton, printed, dyed, or colored, n. o. p.

The Cover Picture

Economic Asset

Our cover picture this week is not related to any particular discussion in the pages of the magazine, but it *is* an exemplification of a principle and a force that is certain to play a noteworthy, even if somewhat less than top-flight, role in international economics after the war. That force is *travel.* Travel by Americans, which seems certain to be on a greatly enlarged scale when peace comes, should enable foreigners to buy many more American goods.

Switzerland, of course, affords one salient example of the benefits that a country can derive from the expenditures of travelers who visit it. Catering to travelers is a major industry in the Alpine Republic. Scenery is a big Swiss economic asset. This picture, showing the Jungfrau, the Grosshorn, and the Breithorn, has been courteously furnished by Mr. F. Dossenbach, of the Official Information Bureau of Switzerland.

Cuba

Tariffs and Trade Controls

Canned Milk: Imports Previously Allowed Duty-Free Entry Now Subject to Special Import Duty.—The quantities of canned, evaporated, or condensed milk which were permitted to be imported into Cuba from the United tates free of duty by Decree No. 5 of January 2, 1945, and Decree No. 820 of March 15, 1945, (160,000 cases of 48 cans each) but which have not as yet been imported will be subject to a special import duty of $0.48 per case of 48 cans, according to Decree No. 1742, published in the Official Gazette of June 29, 1945. This duty will apply to future imports under Decrees No. 5 and 820 as well as to canned milk now in the Cuban customhouses which has not been declared for consumption, but will not apply to the canned milk which the Cuban Government has been authorized to purchase directly.

Decree No. 1575 published in the Official Gazette of June 16, 1945, extends for 45 days the privilege of importing canned milk under the provisions of Decree No. 5 of January 2, 1945. However, importations will now be subject to the above special import duty.

[For announcement of Decree No. 5, see FOREIGN COMMERCE WEEKLY of February 29, 1945; for announcement of Decree No. 820 see FOREIGN COMMERCE WEEKLY of May 19, 1945.]

Military-Type Vehicles Imported Into Cuba May Not Be Withdrawn from Customs Without Prior Authority from Office for Regulation of Price and Supply.—Imports into Cuba of motor vehicles such as jeeps and command cars originally manufactured for military use by the United Nations, may not be withdrawn from the Cuban customs without prior authority from the ORPA, according to ORPA Resolution No. 363, published in the Official Gazette of June 22, 1945. such vehicles must be painted a different color than that used by the Cuban or United States armed forces. These reg-

ulations do not apply to vehicles imported by the Cuban Government for official use.

Dominican Republic

Economic Conditions

DOMINICAN REPUBLIC ESTABLISHES STATE SECRETARY OF LABOR AND NATIONAL ECONOMY

The Congress of the Dominican Republic has passed Law No. 889 of May 2, 1945, effective June 1, 1945, creating a new Government cabinet post—State Secretary of Labor and National Economy—under which will be four departments: Department of Labor; Department of Banking, Money, and Private Credit; Department of Industry; and Department of Commerce.

The Department of Labor will have jurisdiction over all matters relative to labor conditions, including social security, labor accidents, and minimum salaries and wages.

The Department of Banking, Money, and Private Credit will have supervision over all matters related to the development of private credit, including, among other things, private banks, money, credit cooperatives, mortgage credits, and general deposit warehouses.

The Department of Industry is to have direction of all matters related to the development of industry in the country, including exploitation of minerals and sources of hydroelectric energy and patents.

The Department of Commerce is to have supervision over all matters concerned with domestic and foreign commerce, including the organization of transportation, public utilities, trademarks, and insurance.

The Central Office of National Statistics, the Sugar Institute, the Commission for the Defense of Coffee and Cacao, the Chambers of Commerce, Agriculture, and Industry will be under the direction of the State Secretary of Labor and National Economy.

The new office will have a consultative committee called the National Council of Economy, made up of the new Secretary and the State Secretaries for Foreign Relations, Treasury and Public Credit, and Agriculture and three or five members appointed by the Executive power.

Tariffs and Trade Controls

Fee for Certification of Extra Copies of Consular Invoices and Bills of Lading Lowered.—The fee which a consul of the Dominican Republic is to charge for certifying each extra copy of a consular invoice or bill of lading covering shipments to that country has been lowered from $3 to $2, in accordance with Law No. 893 approved on May 14, 1945.

(Owners of the mimeographed circular "Preparing Shipments to the Dominican Republic" should note this change on Page 6, under the section "Consular Fees.")

France

Economic Conditions

On the whole, economic conditions in France during May suffered a set-back. Although transportation continued to show some improvement and agricultural conditions were favorable, the production of coal which is of such fundamental importance to France's economy, especially at this stage, declined substantially, resulting in repercussions throughout the industrial and commercial life of the country. The inflationary movement gained further impetus during the month.

AGRICULTURE AND FOOD

The agricultural outlook for 1945 was less favorable at the end of May than a month earlier because of freezing weather in the early days of the month under review. Fruit trees and vineyards were damaged most seriously. In all but two of the most important wine-growing sections the damage was estimated at three-fourths of the crop. Damage to other crops was spotty. Rainfall was better than in April and crops are maturing ahead of schedule but insect damage is great, insecticides being in very short supply.

Only 66 percent of the prewar tonnage of foodstuffs (available from both foreign and domestic sources) now appears to be in prospect from 1945 production in France. Frenchmen will probably receive an average of 2,200 calories of food daily instead of the prewar 3,200. Tonnagewise, the greatest need for imports will be in bread grains and oilseeds, but sugar, meat, and dairy products are also needed. Food supplies vary from one area to another, but farmers and wealthy urban families who can afford to buy on the black market have diets about equaling prewar standards. It is the low-income groups served through the ration system who can afford to buy little on the black market for whom imports are most urgently needed.

TRANSPORTATION

Railway transportation continued to improve during May despite the intervention of VE-Day with its attendant 3-day holiday and creation of transportation bottlenecks and delays due to the reversal of the flow of military supplies. Civilian carloadings totaled 353,271 during May as compared with 347,454 during the preceding month, but still this was 12 percent below the level a year earlier. Reconstruction activities on the railways continued satisfactorily. The reopening of the Seine bridge at Argenteuil will improve communication between Paris and the channel ports. Repair of rolling stock is being stepped up, but serv-

Pertinent Comments on World Economy Today

[*Being one of a series of excerpts from books, pamphlets and speeches*]

The Future of the Combined Boards

The whole operation [of the Combined Boards] is complex, but it has worked remarkably well in rationalizing the production, procurement, and distribution of short-supply items in the interest of the war. In essence it has achieved an administration of international trade in those commodities selected by the Boards for attention which have been in short supply but which at the same time are essential for the prosecution of the war and for the maintenance of essential civilian economies. Occasionally, allocation recommendations have been made to prevent a wasteful use of shipping space in transporting commodities that were not seriously short. The framework of the operations and the pattern of the recommendations have been geared to the problems of scarcity.

Many world commodities are still critically short relative to basic needs. In those cases where a condition of critical wartime scarcity has given way to one of more comfortable supplies, the Boards have withdrawn their administrative recommendations and returned the trade to a normal basis. It is important that such action be taken, else the allocation to receiving countries of scarce supplies, in substance, would become the allocation to producing countries of markets in which to sell surplus supplies. The Boards are recognized as instruments of war policy, and the incompatibility of the nature of their operations with postwar liberal trade objectives is an accepted part of the thinking of United States Government officials responsible for their administration.

In a series of discussions last January with representatives of Canada and the United Kingdom, reconsideration was given to the future of the Combined Boards. These discussions resulted in the drafting of agreed terms of reference for their future conduct. The Boards as such will continue for the duration of the war with Japan. In the administration of their work, however, carefully formulated criteria have been agreed upon to assure their withdrawal from administrative direction of international trade in specific commodities or products as the supply situation permits. It is hoped that in this way there can be a gradual liquidation of the Board's activities and an orderly transition from the controlled trade of the war period to a condition in which international merchants may again be free to trade in world commodities and products in ways that will be as little encumbered as possible.

(*From "The Combined Boards," an article by Courtney C. Brown, appearing in the Department of State Bulletin of July 1, 1945.*)

iceable equipment remains short. Equipment was being returned to civilian use as military traffic accounted for only 26 percent of the total at the end of May compared with 36 percent at the end of April.

Motor transport increased during May as a result of the receipt of trucks from the United Kingdom, the United States military, the United States, and of captured German vehicles turned over to the French for internal transport. Increased gasoline supplies permitted an increase in essential civilian driving by Government departments and public utilities.

The port of Bordeaux remained closed and it was believed that no vessels of appreciable size would be able to dock for about 2 months. The work of clearing the channel was progressing slowly.

In the two basins and the old port of Marseille some minor repair work was carried out by the French, but the major restorations have not yet been undertaken. Satisfaction was expressed concerning the announcement of an arrangement for entrepôt trade with Switzerland via Marseille and the Rhone River as an indication of postwar potentialities for substantial expansion of the port's hinterland.

River and canal barge traffic improved, and it was said that the number of utilizable barges was 78 percent of that in the corresponding period of 1943.

Coal Situation

The coal situation became worse during May. Output, on the basis of preliminary information and estimates, was expected to decline to not much more than 2,000,000 tons, representing a decrease of 300,000 to 400,000 tons of coal, or a substantial proportion of the monthly coal allocation to French industry. Lower production was ascribed to VE-Day and other holidays during the early part of the month, to the strike in the Pas-de-Calais and Nord regions, the continued lower rate of output per miner, and other important factors. Coal production gradually increased during the period October to March. Subsequently, total monthly output and the rate of production per miner declined, especially in the coal basins in the northern part of the country, to the point where it appeared likely that important sections of industry might have to shut down partially or entirely for some weeks unless the situation could be quickly ameliorated. The number of prisoners of war at work in the mines increased during the month although the total amounted to only a few thousand.

A new organization, the Association Technique de l'Importation Charbonnière, was established for the purpose of taking all measures and creating all the necessary services, in order to assure the carrying out of the program of imports of mineral fuels. This association is composed of importing consumers and dealers. The Director of the Bureau of Mines was appointed the Government's member of the association.

Conditions in the Ruhr reportedly were not satisfactory. Between 2,000,000 and 3,000,000 tons of merchantable coal and coke were said to be available, but only 10 percent could be moved by rail. Improvement in the Saar up to the end of May was slight; however, 20,000 tons of coke were allocated to the French, with delivery to be effected as soon as transportation could be obtained. Determined efforts were being made to better the communications running south from the Ruhr in order to enable coal to be shipped into southern Germany. It was expected that this might aid in liberating Saar coal for French consumption. Moselle mines were operating satisfactorily, and the output per head reached the prewar standard.

Industrial activities in general declined in May because of the serious coal situation, and the outlook for the immediate future was considerably more unfavorable than it had been during recent months.

There is hardly a single important branch of French industry which is not dependent upon coal directly or indirectly for its operation. Stocks of coal in the hands of these industries were extremely small or nonexistent and any change in the volume of coal production is almost immediately reflected in a similar manner in industrial output. Some industries were working at such a low rate of activity that a further sizable cut in coal supply would have made it necessary for them to shut down entirely.

The sharp drop in electric-energy consumption during the first week of May was caused to some extent by the large number of holidays when many industries and plants were not in operation, but output increased gradually during the remainder of the month. Weather conditions did not permit any appreciable saving of thermal power through the importation of hydroelectric energy. In the latter part of the month, heavy rains in the Massif Central aided the hydroelectric situation; however, the seasonal decline in the output of the Massif Central region, which normally furnishes a large proportion of the power to the Paris area, made it necessary to draw heavily on available coal stocks in order to maintain the relatively high level of supply to Paris. In the Pyrenees region the early thaw helped to fill reservoirs to an unusually high point for that time of the year.

The Minister of Industrial Production declared on May 16, in a radio appeal to the French miners urging them to increase coal production, that the people may have to go through another winter without heat, as the Government had been unable to stock any coal for house heating and had been obliged to cut coal allocations to sugar refiners. The Minister was reported to have stated that because of the coal shortage only 12 blast furnaces were in operation then as compared with 110 before the war, that the textile industry could handle only an insignificant part of the wool and cotton arriving in relatively large quantity from the United States and England, and that the French railways had sufficient coal to keep them in operation only about a week. The Minister pointed out that the coal stocks that had been accumulated at the pit heads during the period of severe transport shortage during the last winter had largely been used up in the manufacture of armament.

Industrial Conditions

Output of iron ore in May was hindered by short supplies of mine props. Not much variation from the production in recent periods was reported in the East. In the mines of the Pyrenees region output improved especially during the latter part of the month, and the betterment in the transport situation in that area was reflected in the shipment of ore. Total production during the month averaged 25,000 tons per day as compared with an average of about 100,000 tons daily in 1939. The steel industry was seriously hampered in its operations

Philips Co., of Eindhoven, Netherlands: Plans for Rehabilitation Under Way

Plans for rehabilitation of the Philips Company of Eindhoven, Holland (before the war, one of the world's largest manufacturers of radio and electrical equipment) were recently reported by P. S. F. Otten, president of the company.

Mr. Otten, who has just returned to the United States from the Netherlands, stated that the Philips factories there are already manufacturing materials for use in the war against Japan and that among other items being made is a 7-watt electric bulb with minimum power consumption for lighting Dutch homes, where electricity is rationed.

Mr. Otten said that Philips experts outside of Holland have kept abreast of new developments, which will be incorporated in the improvements made to the plants. Already the factories have swung into production on a limited scale to the best of their ability despite limitations caused by German looting and destruction and by lack of the necessary power and gas supply.

He listed among present products "special material" for use in the Pacific, X-ray devices, 7-watt light bulbs, and 9-watt radio sets.

Before the war, he continued, Philips employed some 15,000 workers at Eindhoven. During the German occupation, this was hiked to 23,000 to save men from being deported as slave laborers to the Reich. However, despite the increase in the number of workers, he said, production dropped by 40 percent as the result of sabotage.

All attempts by the Germans to introduce production-speeding devices were hamstrung by the workers, while Dutch inventions were kept as closely guarded secrets, not meant for enemy use.

by the severe coal shortage and output declined. Pig-iron production in April amounted to 67,000 tons as compared with 53,000 tons in the preceding month; steel, 87,000 tons as against 81,000 tons; and rolled products, 54,000 tons in comparison with 59,000 tons. The outlook was for further declines during June and July on the basis of expected cuts in allocations of coal to the industry.

The sugar industry was expected to suffer severely from the stringent supply of fuel. Coal requirements in this branch are estimated between 350,000 and 400,000 tons, depending upon the size of the beet crop. Indications are that only a fraction of the necessary supplies of coal will be made available.

The paper industry was estimated to be producing only 15 to 20 percent of prewar output. The capacity of the plants was affected only slightly from war damage. The rate of production at the end of May would permit the supplying of only about two-thirds of high-priority needs for paper. This rate of output calls for about 30,000 tons of coal, but during May allocations of fuel amounted to only 23,000 tons and June supplies were expected to be even less. Moreover, the industry seriously lacks pulp. Collection of waste paper and the utilization of a stock of useless Government documents have not appreciably helped the situation. Prior to the war about 70 percent of the raw materials for paper manufacture were imported. Imports of paper pulp in 1938 averaged about 38,000 tons per month, as compared with current receipts of about 1,000 tons.

The Ministry of Public Works transferred to the Ministry of Agriculture during May about 400 trucks for use in timber operations. These will be employed in transporting logs from the woods to sawmills and in moving dried lumber from mill yards to consuming centers.

Wood flour is normally manufactured in France only in limited quantity. The single plant making wood flour located at Arbois, Department of Jura, was badly damaged during the fighting in that section; its reconstruction was nearing completion in May. This product, useful in making plastics as well as explosives, is in considerable demand throughout France.

Shortage of wine barrels in the Bordeaux area is creating a serious problem for wine makers in the processing of this year's grape crop. It was feared that only sufficient grapes would be harvested as could be used for wine to fill the limited number of barrels.

The principal change in the naval-stores industry during May was the increase in official prices for turpentine and rosin, which became effective on May 18. Producers are reported to consider these prices too low, in view of high production costs, to permit them to pay a sufficiently remunerative figure for crude gum to induce workers to return who left the naval-stores industry to work in the lumber trade where relatively higher wages were being paid. The sale of turpentine continued to be strictly controlled and was restricted, in general, to industries working on national-defense orders. The quantity of turpentine allocated to paint and varnish manufacturers is so limited that it is practically impossible to obtain these products. Weather conditions during May were very unsatisfactory for the production of crude gum, and it was estimated that the total yield from the 1945 crop would be from 15 to 20 percent less than during May in the past year. The principal cause for this anticipated decline in production is the lack of skilled workers.

Burma's Oil Refineries Starting To Produce Again

Deputy Petroleum Administrator Ralph K. Davies said several days ago that he had been informed that the oil refineries of Burma, a dependency of the British Empire that was liberated recently from the Japanese, have again been placed in production, although on a limited scale.

A temporary production program of 180 barrels daily of gasoline from crude-oil production of 1,000 barrels a day has been set for the Chauk area, which is operated for the military forces by the Burma Oil Co.

Recovery will be slow, the Deputy Administrator said, because it is necessary to resume pumping all wells.

Of the 5,900 wells that have been drilled in the Burma fields, 4,355 were producing before the war. Practically all these wells were made inoperative when the British left the country in 1942. When the Japanese retreated, wells they had managed to rehabilitate also were left inoperative.

Nevertheless, during their occupation of Burma, Mr. Davies said, the Japanese were reported to be producing 5,650 barrels of crude oil a day. Before they invaded Burma, the fields were turning out about 22,000 barrels daily of high-grade petroleum. (United States fields currently are producing 4,888,000 barrels of crude oil daily.)

Water and oil pipelines in the Burma fields were reported found by the liberating United Nations forces substantially intact. Derricks remained with only 5 percent damage.

Storage tanks in the Burma fields were almost entirely destroyed, but wellhead tanks were mostly serviceable. The Japanese apparently were never able to restore the engines, pumps, boilers, repair shops, and living quarters that were blown up when the British were driven out of the Burma fields in 1942.

Nearly all of Burma's production before the Japanese invasion came from the 60-mile stretch along the Irrawaddy River.

The principal oil-production centers were Yenagyaung, lying 270 miles north of Mandalay; Chauk, 300 miles north of Mandalay; Yenangyat and Lanywa. There were also small centers at Minbu and Tathaya.

Retail Sales and Prices

Retail sales data of the principal department stores, in the Paris area, which data are fairly representative of general retail-sales movement, show that the upward trend in franc volume of sales of these stores continued during April and May. This improvement reflects almost entirely the higher prices for merchandise, rather than a larger turn-over of goods. Supplies of merchandise continued severely restricted and many items were completely unobtainable. In a substantial percentage of the shops, stocks were so depleted as hardly to warrant keeping the establishments open. Moreover, there was a relatively large proportion of shoddy and very poor-quality goods on sale.

Considerable dissatisfaction is being expressed by the returning prisoners, who are often unable to purchase shoes and clothing except at black-market prices, although several measures have been taken by the authorities to correct this situation. Most of the retail sales consist of perfumes, face powders, imitation jewelry, novelty goods, and toys. The supply of essential household articles—linen, chinaware, cutlery, ice boxes, cook stoves, gas ranges, various kinds of tools, and the like—is extremely limited, especially at official prices.

There was some increase in the demand for all kinds of tangible goods by many persons before the changing of the paper currency began in the first few days of June. It is reported that the country people were refusing to sell their nonperishable goods even at very high prices unless they had the assurance that the francs could be quickly converted into other merchandise or equipment which would be useful to them.

The Government continued to issue, during the month, orders authorizing price increases in many products in accordance with the increased costs of production because of higher wages and salaries and costs of transportation and coal. These orders covered trucks, chemical and pharmaceutical products, machine tools and various other merchanical products, and foodstuffs.

Labor Situation

French labor, which was discontented with low wages, inadequate food rations, and the slowness in inaugurating social reforms reached a critical stage in May. There were general strikes in several French departments and the threat of national strikes in some unions. The strike movement was accentuated by the promptness with which concessions were granted to those industrial or occupational groups which struck or threatened to strike. Organized labor objected that the Government sought to freeze wage levels without, however, successfully freezing price levels. Finally, following conferences in the latter part of May, the Government conceded the bulk of the

minimum demands of the General Confederation of Labor, providing upward revision of national wage scales.

Successive reductions in the number of industries and regions where workers receive emergency unemployment benefits have been effected by the Government, which provisionally announced the termination of such subsidies as of June 1. The resultant decline in registered unemployed receiving the emergency subsidy was not, therefore, due to reabsorption of workers by increased industrial activity. The critical coal situation was forcing Government attention upon grievances of the coal miners. Further concessions to the miners were anticipated during the month of June.

ECONOMIC POLICIES

In connection with matters of economic policy, the Committee on Exports (see FOREIGN COMMERCE WEEKLY of July 7, 1945) at its first meeting, in addition to discussing specific projects for exports which were presented to it, took action with respect to several general projects designed to encourage French exports, such as reduction in administrative formalities and facilitation of travel abroad and the exemption of exports from production taxes and transaction taxes.

On May 24, 1945, General de Gaulle, head of the Provisional Government, in his first speech to the people since VE-Day, after touching upon various phases of France's position among the nations of the world, made reference to certain economic reforms which his government proposed to institute before the end of 1945. Among other things, the General stated that it was France's right and duty to take its place and to play its role in accordance with the measure of its means. He stated that now that the war was over, the country should realize that its importance and place in the world depend on France's ability to produce. He touched upon the absolute necessity of maintaining prices, salaries, and wages at proper levels and in coordination.

An ordinance was promulgated on May 26, extending the provisions of an ordinance of November 6, 1944, until December 31, 1945, by which governmental financial credits may be granted to private industrial and commercial enterprises.

Legislation requiring all bank notes in denominations of 50, 100, 500, 1,000, and 5,000 francs to be exchanged for new issues on a franc-for-franc basis was promulgated on May 30. In addition, provision was made for the issuance of a new 300-franc series. (See following item.)

Exchange and Finance

Effects of Bank-Note Exchange.—The exchange of bank notes and public securities which took place in France between June 4 and June 16 had several beneficial effects on the Treasury and the economy as a whole, according to a statement to the Consultative Assembly made by René Pleven, Minister of Finance and National Economy. The exchange permitted the Treasury to benefit from the cancellation of bonds and bank notes carried off by the enemy, illegally exported, lost, destroyed during the course of hostilities, or owned by individuals who considered it wise not to have their holdings recorded. It also made possible an inventory of these instruments of wealth for purposes of taxation. There resulted, moreover, a substantial transfer of hoarded bank notes into savings and bank deposits which may be utilized.

The decline in outstanding currency has been substantial. From a high of more than 600,000,000,000 francs in the months immediately following liberation the figures had declined to 586,000,000,000 francs by May 17, 1945, and to 473,000,000,000 francs on June 3, the eve of the period of exchange. Only approximately 400,000,000,000 francs were presented for exchange.

Between May 15 and June 13 bank deposits increased by 50 percent in the country districts and by 35 percent in Paris. In the country as a whole, savings bank deposits increased by 26,000,000,000 francs and postal checking accounts by 30,000,000,000 francs. The total increase in all kinds of bank deposits during the period was 150,000,000,000 francs.

Astonishing Cotton Boom in South Brazil

The July issue of Agriculture in the Americas, a monthly publication of the Office of Foreign Agricultural Relations, contains among other articles "South Brazil's Cotton Room." The article says in part:

"One of the outstanding agricultural developments in South America in recent years is the phenomenal increase in the production of cotton in South Brazil, one of the largest and fastest-growing cotton-producing regions in the world. During the 5-year period ending in 1930 the average production in this section of Brazil was slightly over 40,000 bales a year, whereas in 1944 the crop was more than 2,145,000 bales. In the United States, only Texas exceeded this quantity. More than two-thirds of the cotton land is farmed by Brazilians, a little more than a sixth by Japanese, and small acreages by Italians and Spanish. Over 40 percent of the cotton farms are operated by tenants.

"With few exceptions, cotton gins in Sao Paulo were manufactured in the United States and have been installed within the past 10 or 11 years. They are, therefore, on an average, more modern than gins in the United States. The annual average of ginning for Sao Paulo is 4,412 bales per gin as compared with 1,154 in the United States. * * * The extent of possible future expansion, particularly in the southern district, if the remaining forests should be cleared and the land planted to cotton, is difficult to estimate. The speed with which the clearing progresses will depend upon the price Sao Paulo cotton brings in the world market."

French Oceania

Tariffs and Trade Controls

Copra Producers Paid Fixed Prices.—The minimum prices to be paid copra producers in French Oceania were fixed beginning May 1, 1945, by areas in which copra is grown, according to an order of the Governor General of the Colony dated April 25, 1945. Prices were fixed chiefly to cover production and transportation costs to Papeete for export, and to assure fair prices to producers in relation to those paid in the United States. For the areas concerned, the fixed prices are as follows:

1. In the Tuamotu archipelago, Gambier, Marquesas, and Austral islands, 2.30 francs per kilogram.
2. At Papeete, for copra produced on the islands of Tahiti and Moorea, 2.60 francs per kilogram.
3. At Papeete, for copra produced in the Tuamotu archipelago or the Gambier, Marquesas, and Austral islands, 2.90 francs per kilogram.

French West Africa

Tariffs and Trade Controls

Import License Procedure Revised in French West Africa and French Togoland.—Regulations governing the issuance of import licenses in French West Africa and French Togoland after June 30, 1945, have been established by Order No. 1752 S. E. of June 9, 1945, published in the Journal Officiel of French West Africa of June 23.

The principal provisions of this order, which replaces Order No. 3017 S. E. of November 9, 1944, are as follows:

1. In order to fill by means of import licenses the quotas of merchandise opened to French West Africa coming from foreign countries for periods subsequent to June 30, 1945, the following procedure will be applied:

2. As soon as notification is given of the quota granted, the Committee of Foreign Commerce will effect the theoretical allocation among the various (geographic) distribution sectors.

3. Import licenses will be granted up to 60 percent of the quota allowed to the particular distribution sector, to the traders or commercial groups (groupements) who are the first to present firm offers to be charged to the quota in question and of which prices and delivery dates are judged to be satisfactory.

These orders may affect either one or several distribution sectors; in the latter case global licenses may be delivered at Dakar by the Committee of Foreign Commerce, notification of the portions attributable to each of the distribution sectors being made jointly by telegraph by the Committee of Foreign Commerce and the recipients of the license, at the expense of the latter.

Imports effected under the terms of this article will not be subject to allocation among importers, those who have effected them retaining complete latitude to assure

for themselves their commercial disposal according to the terms of the regulations in force.

4. Upon the placement of the 60 percent covered by the preceding article, the importers will be notified that a period of 1 month will commence to run, after which no request for a license will be accepted for the filling of the quota in question.

At the expiration of this 1-month period, requests for licenses will be submitted to examination by a commission composed of the Chief of the Economic Bureau (at Dakar, the Chief of the Trade Service of the Directorate General of Economic Services) and of two members of the Chamber of Commerce of the capital city of the distribution sector. The Chief of the local Service of Industrial Production (at Dakar, the Director of Industrial Production or his representative) will also make up part of this commission when the requests for licenses concern industrial products. This commission will refuse requests applying to offers which do not appear acceptable as to price and delivery date, and will allocate the 40 percent of the quota remaining to be distributed among the traders whose requests have been withheld. Firms or commercial groups which have not benefited from any part of the 60 percent considered in section 3 above, or whose requests have been only partially met, will have priority in the allocation of the remaining 40 percent.

5. In the case of importation of goods of a particular brand for which there is an exclusive agent in French West Africa, the licenses will be delivered to the exclusive agent concerned.

6. The period of validity of import licenses is fixed at 180 days, not including the day of delivery. However, 90-day extensions may be granted on presentation of detailed statements making it possible to determine the approximate date for the filling of the order.

7. Merchandise imported through the intermediary of the Committee of Foreign Commerce will continue to be allocated according to the existing regulations.

8. Later instructions will fix regulations relative to the importation of goods under quota originating in continental France, supplementing the regulations now in force concerning the importation of industrial products.

[See FOREIGN COMMERCE WEEKLY of December 23, 1944, for announcement of the earlier import license procedure under Order No. 3017 S. E. of November 9, 1944.]

Guadeloupe

Economic Conditions

SITUATION IN 1944

Sugar production in Guadeloupe, French West Indies, was 50 percent lower in 1944 than prewar levels. The banana trade showed signs of revival during the late autumn. Imports, practically all of which were from the United States, were increasing, thereby raising the financial obligations of the colony for purchases by the French Colonial Supply Mission and private importers. Labor, despite war-inflated wages, remained scarce and inefficient. The cost of living seemed to be stabilizing as increased imports helped break the large black market. Government control of trade and commerce was widespread and much improved in efficiency as administrators gained in experience.

SUGAR AND RUM PRODUCTION

The amount of sugarcane harvested in Guadeloupe before the war was chiefly dependent upon the colony's quota in the French market. This varied from 50,000 to 55,000 tons a year. Normally the sugar yield from cane was between 8 and 9 percent, depending upon the mill and the weather. Between 450,000 and 500,000 tons of cane were normally ground for sugar, and 150,000 tons were converted into rum. However, the island was in a position to produce perhaps as much as an additional 100,000 tons a year if the quota were raised. Because of high production costs, it was unprofitable to sell in any but the protected French market.

Sugar acreage has not been remarkably reduced during the war years, but yields have decreased considerably because of the lack of fertilizers and a decline in the efficiency of factories. Few new plantings have been undertaken. Stubble was allowed to grow past the point of diminishing returns.

With the receipt of some fertilizer from the United States and potential sales now in evidence, the industry should enjoy a reasonable revival during 1945.

Some 47,000 tons of raw sugar were exported in 1944. At the beginning of 1945 there remained available for shipment about 8,935 metric tons from the 1941 crop, 22,595 from 1942, 47,361 from 1943, and 28,562 from 1944, or a total of 107,453 metric tons, from which 4,200 should be deducted for local consumption, leaving an exportable balance of 103,253 metric tons.

The colony had at the beginning of 1945 about 200,000 hectoliters of rum on hand. This quantity was equal to approximately 2 normal years' production. Guadeloupe's rum quota on the French market was about 75,000 hectoliters a year. A total of 36,000 hectoliters is now being consumed annually by the 300,000 people in the colony. During 1944, 572,289 proof gallons of rum were exported to the United States, but this trade, which promised to become profitable, was abruptly ended by the liquor holiday in the United States during August 1944.

BANANA INDUSTRY REVIVED

In the decade before the war, banana production in Guadeloupe ranked next in importance to rum and sugar production. In 1938, the colony exported to France 50,287 metric tons; in 1939, 45,904; in 1940, 15,389; and in 1941, the year in which shipping to the mother country ceased, 1,957. The prewar trade with France was extremely well organized, as a whole fleet of banana ships made regular runs to the Atlantic ports of that country.

With the decline of the continental market, Guadeloupean producers made extensive efforts to develop other sales areas. In 1940, 5,497 tons were sent to the United States; in 1941, 4,400; in 1942, 2,056, and in 1943, some 900. About 2,000 tons were also exported to Martinique in the first 6 months of 1943 to augment the food supply of that island which was then under naval blockade.

Continued efforts to enter the American markets were rewarded during the last 6 months of 1944. Small shipments were made to Canada after August 1944. Schooners and motorships ran down from Miami to Basse-Terre, from which most of the banana ships sail. By the year's end, shipments were reaching about 750 tons a month, returning approximately $40,000 to the exporters. This revival of business has enabled planters to buy fertilizer and generally to rehabilitate the extensive mountain plantations in anticipation of full-scale resumption of exports.

Production, which is currently running about 1,200 tons a month, should shortly reach 30,000 tons a year. However, probably 18 months at least will be necessary to raise the industry to the peak it reached just before the outbreak of war in Europe.

MISCELLANEOUS SECONDARY EXPORTS

Guadeloupe has a number of secondary exports in addition to sugarcane products and bananas. Notable among these are coffee, vanilla, and preserves. Some $1,000,000 worth of these products was available for shipment at the end of the year, not including the current vanilla crop, which was expected to be between 10 and 15 tons. It is reported that a smuggling market has been developing in this product. The heavy export duty of 125 francs per kilogram has induced some merchants to send the products to Dominica or St. Martin for export from these places, thus avoiding the tax.

SUPPLY SITUATION

Guadeloupe's normal commercial connections have been with France. It is to the mother country that most of the exports have been directed. Likewise the products of France generally have tariff protection in the island's markets. However, following the fall of France in the spring of 1940, all normal transactions with that country were disrupted. In effect, the island was under partial or complete blockade for about 2½ years

Less Tapioca Flour From Dominican Republic

Drought and unfavorable weather conditions have sharply reduced production of tapioca flour in the Dominican Republic, the War Production Board reported recently.

Used for the production of adhesives, tapioca flour was, prior to the war, imported mostly from the Netherlands Indies islands of Java and Sumatra. Imports at the present time are restricted to those from the Dominican Republic and Brazil.

Imports of tapioca flour from the Dominican Republic for the first half of 1945 totaled 5,000 tons, WPB says. However, in view of adverse weather conditions, imports from that country for the last 6 months of this year will be reduced to approximately 400 tons.

WPB says that since this small tonnage does not warrant allocation on a pro-rata basis, it has been decided to grant one import license to the sole producer in the Dominican Republic, who will distribute the small tonnage involved among the qualified domestic converters.

until the colony was delivered to the French Committee of National Liberation on July 14, 1943. By this time, however, all imported stocks had been completely exhausted.

American efforts since that time have been devoted to keeping the island supplied with essential requirements. Beset by procurement, transportation, and distribution problems, together with the complete depletion of the island's stocks, it took some months for the program to become effective. By the early fall of 1944, supplies were beginning to reach Guadeloupe in ever-increasing quantities, and by the end of the year, the shelves of the stores contained some goods in contrast to the early months of 1944 when supplies were sold as soon as released by the Director of Economic Affairs.

The original purchases for the island were made by the French Colonial Supply Mission in the United States. However, increasing agitation on the part of merchants resulted in a certain amount of private purchasing after April 1, 1944. At the beginning of 1945, the French Colonial Supply Mission was buying supplies for Guadeloupe at the rate of $200,000 a month, while some $275,000 was allocated to private purchasing, and a certain number of items were supplied through reimbursable lend-lease.

Under the conditions described above, the 1944 supply situation was considerably improved over that in 1943. Guadeloupe grows a large proportion of its own food. Local vegetables and fruits of all kinds are in abundance. There are enough cattle on the island to insure a regular meat ration to the population. The essential imported foods—flour, codfish, and cooking oil—were received in sufficient quantity. Subsidiary foods such as corned beef, beans, corn, and rice were also received in sufficient quantities, particularly during the last half of the year.

Other consumer goods, however, were received with considerable delay and were in extremely short supply, although large quantities were received during the second half of the year. As in Martinique, there is a continuing shortage of textiles but shoes are in abundance.

Most construction materials, except cement, are in short supply. A housing shortage as a result of failure to construct during the war and the increase in urban populations is evident, particularly in Pointe-a-Pitre, the main commercial city, and in Basse-Terre, the capital.

The sugar and rum factories have been unable to make any improvements. However, fairly adequate foundries and machine shops in all the larger factories are able to make minor repairs. The more complicated repairs are usually made in Puerto Rico, to which island a ship sails about once a month.

Guadaloupe is included with Martinique in the tire and tube supply program for the French West Indies. If all the quota is taken, there will be sufficient tires for all essential needs. Automobile travel is extremely necessary in Guadeloupe because of the separation of the main commercial city from the capital.

Petroleum products and coal have been received in adequate quantities. No direct rationing is used for gasoline. However, control of tire and tube supplies insures against wastage.

The local distribution and rationing problem posed some difficult questions during the year which followed the liberation of the island. However, a noticeable increase in aptitude on the part of officials handling the problem has come with experience.

Electric Light and Power

The one power-producing plant in Guadeloupe at Baie-Mahaut continued to function relatively normally. While sufficient coal and fuel oil have always been on hand, the water supply for the generators occasionally breaks down with the result that about two-thirds of the island, including Pointe-a-Pitre, is without lights for varying periods.

Banking Situation

On July 1, 1944, the privilege of issuing currency held by the Bank of Guadeloupe since 1851 was canceled. This function was assumed by the Central Finance Office of Overseas France (Caisse Centrale de la France d'Outré-Mer). No new currency was issued in 1944 and the bills of the Bank of Guadeloupe continued to circulate without change. However, bank notes from other French colonies, such as Martinique, circulate at par whereas formerly even bills issued in Martinique were charged 1 percent upon conversion.

The amount of currency in circulation has increased rapidly during recent years, as indicated by the following data published by the Bank of Guadeloupe:

Currency in circulation—	*Francs*
As of December 31, 1938	49,475,890
As of December 31, 1939	54,224,645
As of December 31, 1940	74,588,475
As of December 31, 1941	95,028,750
As of December 31, 1942	157,362,250
As of December 31, 1943	211,789,295

Figures are not available as of December 31, 1944, since the Central Finance Office assumed power to issue notes on July 1, 1944.

The Bank of Guadeloupe largely finances the sugar and rum production of the island. Another bank, Crédit Gua-

Balsa Lumber From the Tropics: Important New Actions by WPB and OPA

Restrictions on the distribution of balsa lumber, which limied sale to purchase orders rated AA–5 or better, were removed July 10 by the War Production Board.

Military uses of balsa are for life rafts, life floats, and aircraft plywood, WPB said. Before the war, balsa was used chiefly for model airplanes (approximately 65 percent of production) and for toys, scale models, surgical supplies, theater and motion-picture props, hat blocks, and scientific equipment.

Strict control over the sale and use of balsa was established by Order L–177 in August 1943 to meet high military requirements and to build up a stockpile. In 1943, total requirements rose to a peak of 35,000,000 board feet, as compared with annual prewar use of approximately 5,000,000 board feet, and production was expanded accordingly. As most recently amended in July 1944, when military requirements had declined, M–177 permitted the sale of balsa lumber including "thins" and "shorts" on orders rated AA–5 or better, and removed restrictions on the sale of balsa "scrap."

Order M–177 was revoked July 10 because the amount of balsa now being brought into the country is considered sufficient to meet military requirements and to build up an adequate stockpile, WPB said.

No balsa lumber is produced in this country. It is imported from the Tropics, chiefly from Ecuador, with some quantities coming from Guatemala, Costa Rica, and Colombia.

Uniform *ceiling prices* have been established for sales of imported balsa lumber by importers and distributors, the Office of Price Administration announced July 12.

The ceilings, effective July 12, 1945, are in dollar-and-cent terms for importers, and are the sum of net cost, transportation expenses, handling charges, and specified mark-ups for distributors.

During the war, balsa lumber has been imported exclusively under the Foreign Economic Administration's program for purchase of strategic materials. Such purchases have now been discontinued, and the buying privilege has been returned to private importers.

The new price action will simplify ceiling pricing for importers, as well as for distributors, who would, otherwise, in most cases have to apply individually to OPA for approval of their selling prices.

The new ceilings for importers, ranging from $115.25 to $166 per thousand board feet, are in line with those heretofore in effect under the FEA purchase program. Mark-ups included in the ceilings approximate those received prior to the FEA program.

The ceilings for distributors are based on the hardwood lumber regulation provisions, with consideration given to special problems arising in the handling of balsa lumber, as well as to quantity sales. The handling charges permitted range from $10 to $25 per thousand board feet. Specified mark-ups range from 10 to 30 percent.

deloupeen, is chiefly occupied with the banana trade. It has been principally through the efforts of officials of this bank that the current revival in the banana export trade has been made possible.

The Crédit Guadeloupéen is chiefly owned by the same Martiniquais capital which established the Crédit Martiniquais. The two work in close collaboration. A third bank, the National Bank of Commerce and Industry (Banque Nationale pour le Commerce et l'Industrie), has attempted to establish itself at Pointe-a-Pitre during the past several years. It has opened branches at Basse-Terre, where there are also offices of the other two banks, and at Grand-Bourg in Marie Galante, where it is the only banking institution. This bank's attention seems to be directed chiefly to financing the import trade. Because of the devaluation of the franc and various governmental controls which delay the sale of goods, even the largest importers have need of borrowed capital on a much larger scale than before the war.

Government Finance

The Guadeloupe colonial budget for 1945 totals 199,377,000 francs. This does not include a public works budget for 10,000,000 francs, which was approved separately, the money being available from a former loan to the colony. A third budget for the port of Pointe-a-Pitre balances at 3,300,000 francs.

Liberation Loan

The latest figures available on the Liberation Loan (Emprunt de la Libération) lists Guadeloupe as contributing 2,324,000 francs. This compares with the 16,430,000 francs reported as sold in Martinique. There is no simple explanation of this difference save that generally Guadeloupe's capital was greatly reduced by the hurricane of 1928 and most of its resources are owned by persons living in Martinique or France.

Public Works

Comparatively little new construction was undertaken during the course of the year. For the first 6 months, there was no asphalt for the roads. During the latter portion of the year, enough supplies were received, however, to begin repair of certain highways, notably the resurfacing of portions of the Basse-Terre to Pointe-a-Pitre route.

A rather large (for Guadeloupe) drainage and fill project was completed in Pointe-a-Pitre during the course of 1944. Several large projects have been planned for 1945, including the rehabilitation of the port equipment at Pointe-a-Pitre, the construction of a modern hotel in that city, and several other works.

Labor Situation

Employment was not noticeably changed during 1944. Wages were substantially increased by Government decree in April. Salaries of field workers, notably on the banana and sugarcane plantations, were raised to 236 percent above the wages of 1939. Substantial benefits were also given clerical employees. Large employers continued to complain of the lack of labor. This appears to be an almost chronic condition in the island despite the large population.

The best organized workers are the stevedores and the dock hands. By a decree of March 1944, they were accorded special conditions. This decree provides for an 8-hour day with salaries ranging up to a daily wage of $2.40 for certain positions. Overtime work and night work are paid at a premium ranging up to 100 percent.

Cost of Living Increases

The same factors operate in Guadeloupe to increase the cost of living as in Martinique, namely: (1) actual increase in prices of imported goods; (2) import duties imposed on goods which formerly were brought in duty-free from France; (3) black-market operations in goods of short supply, and (4) the groupement system.

The world rise in prices has naturally affected the price of the goods which these islands purchase. The decline in the value of the franc has also tended directly to increase the cost of goods purchased abroad.

The colonial economy of the French Empire is protective toward French exports, although goods coming from France generally pay certain categories of landing duties (octroi de mer, taxe de guerre, and so forth); but no goods in 1944 were being imported from France, and the proportion of the tariff rate in the cost of living has risen considerably.

Black market operations could not be verified but were prevalent in 1944, probably more so in Guadeloupe than in Martinique. Goods from islands in the British West Indies, notably St. Kitts, and particularly from St. Thomas via St. Barthelmy and St. Martin appear to have been smuggled into the colony. With the increasing improvement in the colony's supply position, however, this traffic greatly diminished. Contraband traffic is now confined chiefly to cigarettes and cloth, which is in short supply. The traffic formerly brought all sorts of goods into the island including automobile batteries which at one time were selling for almost $200 apiece.

The groupement system is the final cause of high prices. Its basis lies in the fact that the colony must ration its foreign exchange. All trades are grouped into associations and each trade association is allotted a certain amount of dollars each month for purchases in the United States. In certain groupements, where the total membership is small, each member is given a certain number of dollars. In others, such as in the alimentation groupement, the committee decides what should be purchased, then requests bids. The purchase is not necessarily awarded to the lowest bidder. Other factors, such as packing, are considered. This results in certain unexplainable actions which tend to raise the price of goods received.

In effect, the merchant is indemnified against losses and is given a large percentage for his commission, ranging in the shoe business, for example, up to 40 percent at retail. Price competition, indeed competition of all sorts, have been largely eliminated and the prewar commercial life frozen into a pattern profitable to the merchants.

As has been noted, the black market operations are diminishing in volume with the increase in the amount of goods available, and the Bureau of Economic Affairs has cut the percentage of profit to all merchants.

Few persons, save the large importers, whose position is secured, desire to continue the system. However, it appears that it may continue as long as the colony is not in a position to grant unlimited exchange to its merchants.

Attention: Textile Exporters

Exporters of textiles have been allowed an extension of nearly 3 months in the time limit by which they may complete deliveries on contracts entered into before June 4, 1945, at prices that include export premiums that were permitted at that time but are no longer allowed, the Office of Price Administration announced July 11.

This action, effective July 10, 1945, sets October 4, 1945, as the new time limit, instead of July 15, 1945, *the date originally fixed.*

OPA said that the extension was necessary because difficulties of production and shipping made it impossible for some exporters to complete their outstanding contracts by the former July 15 dead line. A longer period is also necessary to avoid interference with the Foreign Economic Administration's export licensing procedure and with the procurement programs of foreign governments.

To avail themselves of the extension, exporters must either have held valid export licenses on June 4, or must have had export ratings extended to them prior to June 4 under export licenses held by others.

Since June 9, 1945, four specified conditions have had to be met before export premiums can be charged by exporters of textiles. To avoid hardship in the case of outstanding contracts, a "bail-out" period until July 15, 1945, *was* allowed for old contract deliveries, this period *now* being extended until *October 4, 1945.*

Guatemala

Tariffs and Trade Controls

Preliminary Economic and Financial Protocol With El Salvador Recommends Steps Leading to Economic Federation

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of Two Countries.—A joint commission of Guatemalan and Salvadoran economic and financial experts have signed a preliminary protocol recommending far-reaching steps which, if carried out, will bring about an economic federation of the two countries. The measures recommended cover three broad fields, namely, customs, finance, and transportation, as well as other subjects.

The protocol recommends complete liberty of commerce between the two States without payment of import or export duties, taxes, or other charges on natural products and manufactured articles made primarily from natural products of either country. This provision would not apply to charges already assessed by each State on its own natural or manufactured products, nor to coffee, sugar, leaf and manufactured tobacco, products subject to government monopolies, and products excluded from the treaty of commerce between the two countries in effect during 1941–43.

The commission also recommends that a mixed permanent economic commission be appointed to study and prepare a plan for the unification of the economics and the harmonization of the public treasury of each country. Among the studies listed for the immediate attention of this proposed economic commission are the following:

1. Unification of customs and commercial nomenclature;
2. Establishment of a joint customs policy taking cognizance of the various industries already established or to be established in the two countries;
3. Unification of customs tariff rates and rules for their application, with a view to a joint harmonious policy with respect to protection for their industries;
4. Formulation of a draft uniform customs code;
5. Establishment of measures for the gradual increase of the number of manufactured articles which will enjoy free transit (entry) while the system of complete free interchange is perfected;
6. Special measures to facilitate the entry of tourists, commercial travelers, and immigrants, with their baggage and household effects;
7. Revision and analysis of their commercial treaties and conventions; the signature, renewal or denunciation of such treaties to be made only after prior consultation with and acquiescence by the other country;
8. Revision and analysis of contracts made by either country with private persons or firms, for purposes of attaining fiscal unity;
9. Formulation of projects for the unification of laws and regulations applying to food products, drugs and medicines, and chemical products;
10. Preparation of a project that would contemplate the appropriateness of establishing a joint revenue office for handling the customs and government monopolies and for proportionately distributing the revenue and expenditures;
11. Review of the postal conventions so as to unify the procedure for imports and exports by parcel post and by certified mail;
12. Formulation of projects for the unification of statistical methods and criteria; and
13. Methods of maintaining direct contact between the Ministries of Economy and the Ministries of Finance of the two countries so that the economic and financial policies of the two States may be parallel, with reciprocal consultation in all matters affecting their fundamental structures.

Another recommendation would abolish certificate-of-origin requirements for natural products of the soil of either country, and would permit certificates of origin for manufactured products to be issued by chambers of commerce and similar institutions; by civil, administrative, or municipal authorities; and by public notaries. The certificates of origin would be issued gratis and no consular visa would be required.

The commission declared its belief in the following:

1. The development of new industries in one of the two countries should be the subject of prior consultation with the other, and if such development should be upon the basis of tributary concessions or subsidies, it should be arranged mutually;
2. The two countries should take measures as soon as possible for the establishment of a single consular corps in foreign countries, which would have a mixed personnel and would be supported financially by the Guatemalan and Salvadoran treasuries;
3. It is appropriate for the two States to establish uniformity in their statistics in various fields of economic activity, and to take a census as soon as possible.

In the field of finance the protocol recommends that the permanent mixed economic commission to be appointed or other joint agencies or commissions should formulate projects for:

1. The establishment of a fixed rate of exchange for the circulating media of the two States by means of arrangements between the respective central banks and other credit institutions;
2. The establishment of a stabilization fund for this purpose if it should become necessary; and
3. The possibility of issuing paper currency and coining fractional metallic currency jointly for the two States.

In connection with transportation problems the commission agreed on recommending the establishment of special commissions as follows:

1. A commission of the Ministry of Communications of Guatemala and El Salvador for the purpose of studying the highway systems in the frontier zone so as to link the two countries and strengthen their economic relations in that region;
2. Another commission of the two Ministries (or perhaps the same one mentioned above) to review the contracts concluded by either of the two countries with private land-, sea-, and air-transport companies so as to bring about their homogeneity insofar as possible; and
3. A special commission (or the same) to supervise, establish, and increase the coastwise transportation service between the two States.

In addition, the protocol states that it would be advisable for the two countries to negotiate jointly to obtain from the International Railways of Central America and from companies operating steamship lines and docks, a general revision of tariffs with a view to lowering freight rates and intensifying the volume of commercial traffic.

[See FOREIGN COMMERCE WEEKLY of March 28, 1942, for announcement of treaty of free trade between Guatemala and El Salvador; and FOREIGN COMMERCE WEEKLY of May 1, 1943, for an announcement that the treaty of free trade would not be extended beyond November 6, 1943.]

Sweden's Prefabricated Houses

A powerful factor in the improvement of housing standards in Sweden has been the widespread use of prefabrication in the construction of private dwellings, says a statement by the American-Swedish News Exchange. There are now some 50 concerns engaged in making prefabricated housing, mostly of the ready-nailed wall-section type. Most of the smaller types are delivered to the site in such a state that they can easily be erected by the owner if desired. This has been particularly valuable in furthering the "Own-your-home" movement among the lower income groups.

Prefabricated houses have hitherto been sold in Sweden mainly on the principle of various fixed types and plans which can be selected from a catalog. Attempts are now being made to substitute for this system the method of fabricating standardized parts from which houses may be built to correspond to the exact needs of any particular family, instead of having to "fit the family" to an already standardized and not always entirely satisfactory plan.

The prefabricated-housing industry has run up against a serious difficulty recently in greatly increased wages and prices of lumber—which together have gone far toward eliminating the price advantage over ordinary methods of construction that prefabrication previously had. This refers, however, mainly to *internal* conditions in Sweden, rather than to export business.

There is no doubt, say the Swedes, that prefabrication will still continue to meet the bulk of the demand for small housing in Sweden.

Haiti

Tariffs and Trade Controls

Handicraft Articles: New Measure of Export Control Established.—Haitian exporters of handicraft articles now are required to obtain a certificate from the Service de Controle de l'Exportation de la Petite Industrie attesting that the goods are suitable for export before the Department of Commerce and National Economy of Haiti will issue an export license, according to a Haitian government communique promulgated in Le Moniteur of June 18, 1945. The products of "la petite industrie" include: Sisal and ramie handbags, shoes, and belts; seed belts, bracelets, and other ornaments; straw braids, baskets, shopping bags, and fans; and mahogany goods.

[See FOREIGN COMMERCE WEEKLY for December 19, 1942, May 29, 1943, and June 10, 1944, for announcements of regulations affecting exports of sisal and sisal products and other handicraft articles.]

Italy

Economic Conditions

PRICES, WAGES, AND COMMODITY SUPPLIES

The index of food prices in Rome declined 11 percent in May; similar, though not as great, decreases are believed to have occurred throughout southern Italy. In the north, prices continuously increased but did not reach the Rome level. Nonfood prices dropped somewhat in Rome but seemed to remain fairly constant in other southern areas. Money incomes remained at the March level but purchasing power increased. The prices of certain textiles declined 50 percent and more; a declining tendency developed in other clothing items, especially shoes. Tires which until April 15 sold for as high as 100,000 lire lack buyers at one-fifth of that figure and the trade in used automobiles declined sharply.

For the first time since the Allies arrived in Rome advertisements in the press are carrying prices; some of these are "Milan prices" quoted by merchants who claim they are receiving weekly shipments from the north. The Rome newspaper, Il Globo, is conducting what appears to be a deflationary campaign featuring "inconceivably large" stocks of goods in the north. The black market in foreign currency, one of the most sensitive indicators of expectations, has registered a decline in the price of blue-seal dollars and other currencies, the former falling from 425 lire on March 30 to 266 on June 1.

Factors in the price decline have been seasonal increases in agricultural production, greater shipments of livestock to market as a result of drought conditions and, most important of all, the expectation of an influx of commodities from the north at much lower prices. The extreme pessimism over destruction in the north, which was prevailing before the April offensive, quickly reversed itself and all price groups except wages showed decreases. A final factor has been the control exercised by the General Confederation of Italian Labor on prices in demanding that local authorities in a number of cities south of Rome decree price reductions from 20 to 50 percent, and in seeing to it by means of vigilance committees that merchants observe the lowered prices. This movement has been successful in Taranto, Bari, Naples, and other southern cities.

The optimism of buyers and the deflationary fears of sellers may be short-lived. Some reports do not substantiate press stories about great stocks of goods in the north but rather emphasize that, although plant facilities there are about 85 percent intact, very few plants have materials and fuel. Until these become available for the operation of the northern plants and until transportation is restored, the expectation of an influx of commodities from the north, although real at present and effective, can hardly be fulfilled and seems doomed to disappear as a price-lowering factor. The quantity of goods actually coming from the north is very small and usually limited to items of small bulk and high prices, such as medicines purchased at low prices in Milan and carried by autobus back to Rome where they sell at a very great profit. The removal of the inoperative economic barrier between north and south has had no effect in increasing shipments to the latter.

In Rome, living expenditures of a typical working-class family during May were 1.2 percent greater than in February, and April expenditures 7.7 percent greater, almost wholly because of greater outlays on food. Real income as judged by the only price index available—food costs—tripled from June 1944 to June 1945. The only improvement in real consumption in April was in food purchases, black-market purchases showing a small decline and reflecting an increase in the amount of rationed foods made available. Nonfood consumption declined in April. While the "other expenditures" item increased by only 11 lire, prices of shoes and clothing were so high as to be excluded altogether from the average working family's budget. Living expenditures throughout the area south of Emilia, which until May 2 was liberated Italy, probably were somewhat less than at Rome, except in the larger cities such as Naples, Leghorn, and Florence. However, lower living expenditures seemed to be attributable to a relatively greater scarcity of nonfood items rather than a lower real cost of living. Both living costs and expenditures in the north were less than in the south, but price differentials became smaller as each day passed, with northern prices steadily rising.

New Wartime Record for Homeward Ship Loadings from South America's West Coast

An "encouraging upswing" in imports from the west coast of South America was reported July 24 by the War Shipping Administration, which said a wartime record for homeward ship loadings was established for that area last month.

During June, 30 vessels were loaded, 13 sailing for Atlantic-coast ports in the United States, 9 for Gulf of Mexico ports, 2 for Pacific-coast, 1 for Mexico, 1 for Hawaii, and 4 for Europe. Shipment of manganese ore from Chile was resumed after a lapse of 2 years.

Ten ships carried nitrates for the United States and six for Mexico, Hawaii, and Europe, bringing to 899,328 long tons the total of nitrates moved during the last fiscal year. The quota established by the War Production Board, 895,000 long tons, was attained and exceeded for the first time since the war started. The program for Europe and Egypt during the next nitrate season calls for another very heavy movement of nitrates, all of which will be carried in vessels under WSA control.

Eight ships were loaded with coffee, copper, and copper ores for the United States. The WPB copper requirements quota was attained, a total of 35,000 tons being imported, virtually equivalent to production in Chile and Peru. Six vessels brought tin, manganese, and zinc.

On the west coast of Central America two vessels took on coffee and miscellaneous cargoes for California ports during June, and four were loaded with bananas for New Orleans discharge, WSA reported.

Kenya

Tariffs and Trade Controls

Import Duties Suspended on Specified Food Items.—Import duties are now suspended in Kenya, British East Africa, on the following commodities, according to the Kenya Official Gazette of April 10, 1945: Ghee, copra and coconut oil, red palm oil, dates, and cattle, sheep, and goats.

Madagascar

Exchange and Finance

Abrogation of Regulation of Payment for Goods Procured by Government for Export.—Regulations in Madagascar requiring the opening of blocked accounts and the crediting to these accounts of 60 percent of the proceeds of the sale to the Government of goods for export were abrogated by an order of May 7, 1945, published in the Journal Officiel of Madagascar and Dependencies for May 26, 1945. These regulations had been established by an order of October 31, 1944, as announced in FOREIGN COMMERCE WEEKLY of February 3, 1945.

Mexico

Tariffs and Trade Controls

Plywood Made Subject to Import Control.—Plywood of all kinds has been added to the list of commodities requiring an import permit, according to a circular of the Mexican Ministry of Finance issued June 13, 1945, and published in the Diario Oficial of June 19, 1945. The specific tariff item numbers affected are 2.50.10, ordinary wood in combined sheets, and 2.51.10, fine wood in combined sheets.

[For decree authorizing import controls see FOREIGN COMMERCE WEEKLY of June 3, 1944.]

Eggs and Egg Yolks Granted Duty-Free Entry Until December 31.—Fresh, frozen, preserved, and powdered eggs and preserved and denatured egg yolks have been granted duty-free entry into Mexico until December 31, 1945, under the provisions of an Executive decree of June

13, 1945, which was published in the Diario Oficial of June 29, 1945, and became effective on the same date.

These products were formerly dutiable, in pesos per gross kilogram, unless otherwise specified, as follows: Fresh eggs 0.40; frozen eggs, 0.50; preserved and powdered eggs, 1 per legal kilogram; yolk of egg, denatured with at least 2 percent creosote, 0.25; preserved yolk of egg, not specified, 1 per legal kilogram; all subject to a surtax of 3 percent of duty.

Export Valuations on Specified Items Changed.—The official valuations for the application of the 12-percent export tax in Mexico have been modified on a group of miscellaneous products by a special Executive resolution issued June 14, and published in the Diario Oficial of June 15, 1945.

The new valuations on the products affected, with former valuations shown in parentheses, in pesos per gross kilogram, unless otherwise specified, are as follows: Sheep, 25 per head (11.70); dry and fresh garlic, 1.10 (1.50); onions, 0.10 (0.28); anise, 0.50 (none); raw cotton, with seeds, 2.03 (1.88); raw cotton, without seeds, 2.03 (1.84); root of Jalap plant, 2.33 (2.70); motor oil (Diesel) and fuel petroleum, 27 per cubic meter (26.40); gas oil from petroleum, 52.50 per cubic meter (55.50); refined gasoline, 76.90 per cubic meter (88.50); refined kerosene, 65.70 per cubic meter (67); articles manufactured from seeds, 10.40 (11.70); boxes and crates of wood, not specified, even if knocked down, 0.51 (0.33); loose parts of machinery, not specified, none (0.95).

Nicaragua

Economic Conditions

Business and industrial activity in general was greater in the first quarter of 1945 than in the corresponding period of 1944, although the trend was slightly downward instead of upward. The arrival in the country of larger quantities of merchandise caused retail trade to expand. Exports of gold were about 10 percent less than in the first quarter of 1944. The value of the exportable surplus of agricultural products in 1945, including, sugar, rice, corn, coffee, and sesame seed, may possibly suffer a reduction of as much as $2,000,000 because of the drought in October and November 1944. It is doubtful if the present sugar crop will fill domestic needs in 1945. Little change was apparent in the livestock industry; pasture conditions were far from good as a result of the dry weather. Despite efforts at price control, the cost of living was believed to have increased. Financial conditions showed improvement compared with the last quarter of 1944 but were less favorable than at the end of the first quarter of that year.

Agriculture

Harvests have been reduced materially by the lack of rain in the last quarter of 1944. Production of sugar from the 1944–45 harvest is estimated at 24,000,000 pounds and domestic consumption at 25,000,000 pounds—a situation that is in contrast to exports of 7,500,000 pounds of sugar valued at $314,884 in 1944. Estimates of other agricultural crops, in pounds, are: Coffee, 29,500,000, with an exportable surplus of 24,000,000; beans, 18,000,000; rice, 14,000,000; sesame seed, 6,500,000; cotton, 1,250,000; and tobacco, 1,000,000. The estimate for corn is 2,200,000 bushels.

Exports of coffee during the first quarter of 1945 amounted to 57,946 bags weighing more than 8,800,000 pounds compared with about 90,000 bags in the first quarter of 1944. Sesame seed shipped to Costa Rica amounted to 26,000 bags weighing more than 4,000,000 pounds. One thousand head of cattle were exported in the quarter.

Economists state that agriculture in Nicaragua has reached maximum production with the present hand methods because there is no surplus of agricultural labor to draw on for additional production. It is believed that possibly $1,000,000 worth of agricultural machinery will be required by Nicaragua in the next few years to obtain an increase in the production of sesame seed, rice, sugar, corn, beans, and timber for domestic requirements and also to furnish an exportable surplus for neighboring countries. An increase in coffee production for export would also necessitate greater mechanization of this industry.

Mining and Manufacturing

During the quarter under review, less activity was evidenced in the mining industry compared with that in the first quarter of 1944. Exports consisted of 53,628.80 troy ounces of gold and 53,848.39 troy ounces of silver valued at $1,900,701 in the first quarter of 1945; in the like period of 1944 they comprised 59,563.70 troy ounces of gold and 67,244.32 troy ounces of silver valued at $2,114,317.

Production in Nicaragua's principal industrial enterprises was substantially greater, on the whole, than in the first quarter of 1944 and, to a less extent, than in the last quarter of that year. The respective percentages of increase were: Cement, 211 and 9; matches, 52 and 9; beer, 18 and 15. The Tobacco Company of Nicaragua (Compañía Tabacalera de Nicaragua) reports that production of cigarettes in the first quarter of 1945 totaled 106,000,000, or an increase of more than 5 percent. Production of electricity on the other hand declined 18 and 16 percent compared with the first and last quarters, respectively of 1944.

In the early part of the first quarter of 1945, the new textile plant of Cadala Maria & Co. at Managua started operating sections of its machinery, and by the end of the quarter 18 of its 148 looms were in operation with 90 workers on one shift of 8 hours. Production has been restricted because the Managua power plant has been unable to furnish the necessary electricity. It is expected that eventually the mill will employ 500 workers on each of three shifts daily, using 3,500,000 pounds of cotton annually to produce approximately 10,000,000 yards of cotton cloth.

Construction

Shortage of equipment held up highway construction to some extent during the quarter. Most of the grading equipment of the Nicaraguan Highway Department was moved from the Matagalpa cut-off of the Inter-American Highway to the Rama Road, recently named the Franklin D. Roosevelt Highway, which will connect the Atlantic and Pacific sections of Nicaragua. Grading of this highway was continuing at a good pace under the direction of United States and Nicaraguan engineers. Expenditures on all roads in the country being built by the Nicaraguan Highway Department approached $200,000 monthly, at least one-half of which was expended for labor.

The value of building permits issued at Managua amounted to $175,391 compared with $76,700 in the first quarter of 1944, or an increase of 126 percent. The permits issued covered 94 structures on which 525 skilled and 409 unskilled laborers were employed.

Finance

At the end of March 31, 1945, the Exchange Stabilization Fund held $6,753,540, 22 percent less than holdings on March 31, 1944, but 14 percent more than those on March 31, 1943. The fund contained dollar exchange to the value of $1,879,770 on March 31, 1945, compared with $4,709,698 on March 31, 1944, the balance being in gold. Exchange payments for visible imports were nearly 9 percent less than in the first quarter of 1944. Complaints against the exchange-control system increased.

Total currency circulation at the end of the first quarter of 1945 was 46,893,042 cordobas compared with 37,685,357 cordobas on March 31, 1944, and 28,047,386 on March 31, 1943, an increase of 24 percent in 1 year and of 67 percent in 2 years. The ratio of the Stabilization Fund to total circulation on March 31, 1945, was 100 to 72.01 compared with 100 to 90.51 on March 31, 1944.

The credit and collection situation became less favorable when about 10 small firms went into voluntary bankruptcy, principally because of overstocking at high rates of exchange and failing to make expenses when sales at large profits were not forthcoming. On the other hand, the total of unpaid drafts held by the National Bank on March 31, 1945, was 10 percent less than on the corresponding date a year ago.

Foreign Trade

The total volume of Nicaragua's foreign trade during the first quarter, according to official preliminary estimates, amounted to approximately 34,000 metric tons, compared with 30,000 tons in the like quarter of 1944, or an increase of 13 percent. Imports of 23,500 tons, 80 percent more than during the preceding year, and exports of 10,500 tons, a decrease of 38 percent, comprised the 1945 total.

Exports of crude rubber amounted to 708,736 pounds compared with 972,140 pounds in the first quarter of 1944, a reduction of 27 percent, which was primarily a result of adverse weather conditions. Other exports included 57,-

657 pounds or hides and skins, composed mostly of wild animal skins, 8,607 pounds of ipecac root, 4,423 pounds of balsam of Peru, substantial quantities of sawn lumber and timber, and small quantities of bananas, cacao, and coconuts.

Only rough estimates are available of imports in the first quarter of 1945 and these include (in metric tons): Petroleum, 11,121; iron, steel, and hardware products, 1,677; flour and small quantities of other foodstuffs, 1,257; cement, 776; chemical products, 417; machinery, 339; cotton textiles, 327; glass and glassware, 262; electrical equipment, 217; paper and manufactures, 113; bags, 56; alcoholic beverages, 50; automobiles and parts, 28; tobacco, 18; leather, 17; and toys, 5.

The United States was the principal source of imports and destination of exports.

Cost of Living

Living costs continued to rise; prices of basic foods and other necessities were frozen by the Government at ceilings which were later pushed upward and refrozen. The domestic distribution of imported flour was considered to be so inequitable that the bakers of Managua formed a cooperative importing and distributing corporation.

Employment

The scarcity of skilled labor and employable unskilled labor continued, and unemployment was negligible. It is probable that agriculture employed fewer laborers because of smaller crops which resulted from the drought in the last quarter of 1944. In the building trades, on the other hand, employment was believed to be twice that during the first quarter of 1944.

Peru

Transport and Communication

Telegraph and Radio-Telephone Services.—Cia. Nacional de Teléfonos del Peru obtained authorization in December 1944 to establish radio-telephone services between Lima and Arequipa, Cuzco, and Piura, using United States equipment consisting of 1-kilowatt transmitters.

On April 5, 1945, the new telegraph circuit to southern Peru operated by the Dirección de Correos, Telégrafos, y Radiotelegrafia connecting Cuzco, Arequipa, and Puno, was inaugurated. A 290-kilometer land line is used.

New Port Works at Chimbote Inaugurated.—The new port works and public-health installations at Chimbote, Peru, were formally inaugurated on May 24, 1945, thus marking the completion of one of the initial construction phases of the Peruvian Government's program of industralizing the Santa River Valley and other parts of the country. The port works were designed and constructed at a cost of somewhat less than $2,000,000. The entire program will cost around $15,000,000.

The bay of Chimbote is one of the finest and largest natural harbors on the west coast of South America, and the new works make it an ideal coaling station for boats plying the west coast. It is estimated that an additional 200 to 400 tons of cargo can be carried by taking on coal in mid-voyage at Chimbote.

The following installations in and around Chimbote Bay were constructed:

1. A rockfill approach mole, some 735 meters long, giving access to a reinforced concrete pierhead, 185 meters long by 15.1 meters wide, with a minimum depth of water at its sides of 30 feet below lowest low tide; and about 300 meters from shore an auxiliary rockfill mole giving access to a pierhead 18.4 meters wide by 54.5 meters long, water at its sides 15 feet below lowest low tide for embarkation of cargo to lighters and coastwise vessels.

2. A coal deposit with an ultimate capacity of 40,000 metric tons. Both deposit and piers have been designed for the future installation of conveyor belt and mechanical loading equipment by means of which ships can be loaded at the rate of 400 tons per hour. The present method makes use of side-dump railway cars from which the coal is released into the deposit and later discharged by gravity through hopper gates onto railroad cars drawn by locomotive through an extractor tunnel running longitudinally under the full length of the deposit.

3. A reinforced concrete warehouse, approximately 75 meters long by 20 meters wide, with suitable platforms at its sides and ends.

4. Staff quarters for both construction and permanent administrative personnel.

5. A block of 12 apartments for general supervisory staff.

6. Three blocks of living apartments containing 112 two- and three-room apartments and 8 stores.

7. A concrete paved road, 6 meters wide and approximately 1,700 meters long, connecting the Pan-American Highway in the town of Chimbote with the new port works.

8. A power station having a present capacity of 160 kilowatts, but designed for future expansion. Provision is also made for the installation of fire pumps to pump sea water through the fresh-water mains at time of fire.

9. Accessory pavements, sidewalks, water and sewer line, septic tanks for sewage disposal, and railway tracks.

Sweden

Tariffs and Trade Controls

Extension of Periods of Duty-free Temporary Admission Authorized.—The Swedish Parliament has authorized the King (Government) to extend, beyond the limits prescribed in tariff legislation, the periods during which goods imported duty-free for repair, processing, and various other purposes may remain in the country without payment of duty. This authority is to apply in specific cases only. It has been promulgated in a royal letter of April 13, 1945, to the Customs Administration, published as No. 116 in Svensk Författningssamling.

Printed Matter: Export Restrictions Removed.—Swedish license restrictions on exports of books and other printed matter of all kinds (except maps and globes) have been removed, beginning May 3, 1945, by a proclamation of April 27, published as No. 142 in Svensk Författningssamling.

[See Foreign Commerce Weekly of April 7, 1945, for a previous announcement concerning these restrictions.]

Union of South Africa

Tariffs and Trade Controls

Validity Period for Import Authorizations.—The Director-General of Supplies for the Union of South Africa announced in the Government Gazette of April 20, 1945, that from that date the period of validity of an import permit and a certificate of essentiality will be that stated in the body of the permit or certificate. If no period is stated, the document will be good for an indefinite period.

The purpose, it is explained, is to fix periods of validity of import documents to conform with the current or prospective shipping and supply position for the commodities concerned. It is intended, the notice further points out, that, in general, import documents issued after April 20 will be valid for a period of 12 months after the end of the shipping quarter instead of 6 months as was mandatory under the regulations now amended. Powers are reserved, however, to vary a period of validity as circumstances in individual cases may require.

United Kingdom

Tariffs and Trade Controls

Import Licensing of Machinery and Plant.—The United Kingdom Board of Trade has announced that it is prepared to consider applications to import machinery and plant needed for the production of civilian type goods for the export trade, or required for important home consumption, where such machinery and plant cannot be obtained from home sources. In order to economize exchange and shipping, it is emphasized by the Board of Trade that existing regulations controlling imports must be retained for the time being and no general relaxation in these regulations can yet be effected.

Restoration of Duties on Machinery.—Machinery and parts thereof and accessories for machinery or parts of machinery which have been exempt from import duty during the war are, as from July 1, liable to duty in the United Kingdom. Any importer who has, or is applying for, an import license may also apply for a permit to import these items without payment of duty on the ground that similar machinery is not, for the time being, obtainable in the United Kingdom. Exemption from duty will be granted only if an application for this treatment has been received by the Board of Trade before the goods arrive.

(Continued on p. 46)

News by COMMODITIES

Automotive Products

Motor-Vehicle Registrations in Manila, Philippine Islands

Motor-vehicle registrations in Manila, Philippine Islands, as of June 27, 1945, numbered 1,100 passenger cars, 3,370 trucks, and 10 motorcycles and 3-wheeled vehicles. Nearly all are of United States make. The figure for passenger cars includes a few midget busses, or autocalesas, which can carry as many as 10 passengers. Of the vehicles registered, none were imported later than 1941. Nearly all are privately owned, the figures given not including the 137 1½-ton trucks turned over by the Army to private transportation companies nor the 50 trucks turned over to the Commonwealth at the same time by the Army. These were all reconditioned vehicles which had seen many thousands of miles of service.

Most cars and trucks are operated on gasoline or alcohol. No distinction is made between trucks and busses in reports of registrations, but no bus bodies are known to be in use. Most commercial vehicles in operation have ordinary truck bodies, sometimes with a canvas top and with wooden benches along the two sides. These are used mainly for the transportation of passengers.

The condition of cars and trucks is generally very poor and the supply of repair parts is limited. The sale of automobile repair parts during the coming year will be limited only by their availability, but imports are not expected to be large in view of shipping conditions and port facilities. So far as is known, there are no garages or repair shops in Manila at present, and the need for garage equipment is great. Trucks are badly needed for the distribution of imports and the collection of such export products as copra and abacá.

New Automobile Factory Will Be Built in Sweden

A new automobile factory will be built in the city of Norrkoping at a cost of 1,200,000 crowns, according to the Swedish press. A site of 98,600 square meters has been purchased from the city at the price of 350,000 crowns. Present plans are to manufacture complete automobiles, but should this not prove feasible, the factory will operate as an assembling plant. The city has guaranteed to reserve 200 residential units as quarters for the employees of the new plant.

Another report is to the effect that a German D. K. W. (Deutsche Kraftwagen Werke) chassis has been built on trial in an airplane plant in Norrkoping, and a machine shop there has experimented with a cyclecar with motorcycle engine and wheels.

Chemicals

Argentine Stocks of Copper Sulfate

Low stocks of copper sulfate in Argentina were a serious concern to the grape and wine industries in the Province of Mendoza in 1944. The United Kingdom is the normal supplier and no shipments were received until late in the year.

It had been estimated that because of unfavorable weather conditions and the lack of insecticide materials, infestation of the grape vines would result in damage totaling 65,000,000 pesos, but the loss was apparently minimized by late arrivals of copper sulfate from the United Kingdom and Chile.

Plans under consideration for the manufacture of copper sulfate in Mendoza are not far advanced because of the lack of suitable transportation facilities for the copper are, the shortage of sulfuric acid, and high production costs.

Brazilian Production of Laundry Bluing

Brazil's production of laundry bluing amounts to approximately 2,400 metric tons annually, divided among four companies in the Sao Paulo district. Consumption is about 2,000 tons yearly.

One of the producers, a subsidiary of a British concern, has exported bluing to Argentina and other South American countries and to South Africa during the war. It is not believed, however, that the export trade of this company will be permanent since the parent firm can produce bluing at less cost than the Brazilian branch. Although production capacity is sufficient to supply local needs, small quantities are still imported, principally from the United Kingdom.

Imports of ultramarine blue pigment, which is used in the manufacture of bluing, amounted to 33,522 kilograms, valued at approximately $32,500, in 1944. Exports of bluing totaled 352,443 kilograms, valued at slightly more than $115,000, during the same year.

Cochineal Production, Peru

Production of cochineal in Peru, which formerly was substantial, is now small but relatively stable.

The material is obtained from the cochineal insects which are collected by the Indians, principally near Huanta, Department of Ayacucho, but some is also produced in Puno and Ica. Exports have averaged between 40 and 50 metric tons annually during the past 10 years, amounting to 38,429 kilograms in 1944. France was the principal customer before the war, but since then the United States and Argentina have been the leading purchasers.

Chemical Company in U. K. Takes Up Land Option

Imperial Chemical Industries, Ltd., has taken up its option on 1,000 acres of land on the River Tees, near Eston, for industrial development, according to a British chemical publication.

This enterprise will be separate from the company's activities at Billingham.

Need for Modernization of Industry in France

The importance of modernization of the obsolescent French industrial and agricultural equipment was stressed by René Pleven, French Minister of Finance and National Economy, in a speech before the Consultative Assembly on July 4 in which he dealt with the present status and future development of the French economy.

He pointed out that the average age of industrial equipment in France is 30 years, compared with an average age of 8 years in other major Allied countries and that correction of this defect is a fundamental problem for the future of France.

France, said the Minister, "must modernize or die. Modernization is not only a technical problem, it is also a psychological, political, and moral problem."

Coal, Coke, and Peat

Chilean Coal Industry

Preliminary figures place the total amount of coal produced in Chile during 1944 at 2,275,719 metric tons gross, the highest annual output during the past 20 years. Year-end stocks totaled 137,309 metric tons.

Production, imports, exports, consumption, and the number of miners at work during 1944, as compared with figures for the past 10 years, were as follows:

Year	Production	Imports	Exports	Consumption	Miners employed
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Number*
1935	1,899,936	31	152,027	1,747,940	11,788
1936	1,874,804	17,915	132,165	1,760,554	12,594
1937	1,988,371	91	55,093	1,933,369	13,518
1938	2,043,738	382	58,120	1,986,000	13,909
1939	1,850,348	16	35,502	1,814,862	14,416
1940	1,938,059	220,856	32,175	2,126,740	13,758
1941	2,060,271	68,950	49,877	2,079,344	14,707
1942	2,150,799	17,331	86,446	2,081,684	15,634
1943	2,265,128	19,637	68,156	2,216,609	16,858
1944	2,275,719	15,476	46,315	2,244,880	16,984

At present 26 Chilean mines are in full production. Of these 5 are in Con-

cepcion, 6 in Arauco, 3 in Valdivia, 1 in Osorno, and 11 in Magallanes. The Schwager, Curanilahue, Lota, and Lirquen mines, whose output during 1944 was 1,873,000 metric tons, produced 82 percent of all the coal mined in Chile.

Swiss Government Orders Further Cut in Fuel Rations

The Swiss Government has ordered a further cut of approximately 5 percent in fuel rations for next winter. According to the ration schedule, hospitals will be allowed 40 percent of their minimum requirements; factories and workshops, 25 percent; offices, schools, shops, hotels, and restaurants, 30 percent; and households, 20 percent. No imported coal will be allotted for heating purposes. Householders will be allowed only wood and peat. Other consumers will receive wood, peat, and poor-quality domestic coal, but all consumers are warned that they will have to accept whatever is being produced locally. In some cantons the principal fuel available is wood, in others it is peat.

Further Development of Mines in North Wales, U. K., Planned

Businessmen in North Wales, United Kingdom, are looking to the further development of local coal mines as of major importance in the postwar period. The British press states that collieries in the Wrexham area and the Point of Ayr produce enough coal to meet all local needs and to provide a surplus for export. The coal in the main seam is of a composite nature and because of its high gas yield and coking properties, it is particularly suitable for gas manufacture. It is foreseen that important amounts of coal from the Denbigshire and Flintshire areas could be used to help support chemical and allied industries. Net available reserves of unworked coal in North Wales are said to total 880,000,000 tons.

Peat Output, U. S. S. R.

The peat division of the Electric Stations commissariat of the Soviet Government was reported by the Soviet press in March to be assembling new cranes, dredgers, and elevators for use in digging peat during the current season.

The 1945 output of peat is expected to be substantially larger than that of former years. New areas opened up during 1944 are estimated as capable of yielding an additional 700,000 tons. Peat is used extensively in the Soviet Union in the production of electric power.

Construction

Harbor-Dredging Projects in Grenada and St. Lucia, B. W. I.

Both the colonies of St. Lucia and Grenada, British West Indies, are considering small harbor-dredging projects. The St. Lucia project is reported to include removal of silt about 5 feet deep over an area of about 1½ acres. The Grenada project is similar, the removal of soft mud of a depth of from 2 to 12 feet covering about one-half an acre.

Sweden To Deliver Goods for $250,000,000 on Credit To Neighbors

The total value of the goods which Sweden has agreed to deliver on credit to its war-ravaged neighbors runs to nearly a billion Swedish crowns or about a quarter of a billion dollars, Knut von Horn, an official of the Swedish Department of Supplies, has figured out. The cost of the training and equipment of the so-called "police troops," made up of young Danish and Norwegian refugees in Sweden, is not included in the above figure, nor are gifts to civilians, whether from private or public sources.

The foodstuffs Sweden has agreed to furnish amount to 404,000 tons and of these 254,000 tons will go to Finland, 131,000 tons to Norway, and 14,000 to the Netherlands, says a statement by the American-Swedish News Exchange. Their combined value is 165,000,000 crowns. The 250,000 tons of grains promised equals 40 percent of Sweden's own rationed consumption per year; the 16,500 tons of butter and other edible fats correspond to 15 percent, and the 31,000 tons of sugar to 12 percent.

The list of reconstruction materials pledged include lumber, pulp, paper, textiles, iron, steel, chemicals, machinery, ships, and even locomotives.

A project has been discussed which, if carried out, would mean the removing of a section of reef of about 200 feet wide and 500 feet long by the southwest end of the municipal pier at St. George's, Grenada. The reef appears to be soft coral rock, but there may be harder rock several feet below the surface. The St. George's community at some time might be interested also in filling in a swampy area for the location of a park. This work could be done in a short time by a modern sand sucker.

Low-Cost Houses Under Construction in Bolivia

In a suburb of La Paz, Bolivia, construction of 14 low-cost houses for white-collar railroad employees was started in May, says the press of that country. Plans have been made to build an additional 50 houses for these employees and 20 for day laborers.

A new hospital for workers also has been started. It is expected to cost 26,200,000 bolivianos.

Permits Issued in Saskatchewan, Canada

Building permits issued during 1944 in the Province of Saskatchewan, Canada, were almost double in value (or 98.2 percent higher) those issued during the preceding year, says a Dominion publication. The 1944 total of $2,715,680 (Canadian currency) was distributed as follows: Residential, $1,389,719; institutional, $202,165; commercial, $839,629; industrial, $218,272; and other building, $65,895.

Low-Cost Housing, Bogota, Colombia, Area

A program of constructing houses for sale at public auction has been initiated by the Caja de la Vivienda Popular, a Colombian association formed for the construction of workers' dwellings in the Bogota area. The proceeds from the sales will be used to construct additional houses for municipal workers in the new La Maria housing development in Bogota.

Sewerage System Completed in San Pedro Sula, Honduras

Construction of a sewerage system in San Pedro Sula, Honduras, has been completed. The work, which was started in October 1943 by the Health and Sanitation Division of the Institute of Inter-American Affairs, was accomplished at a total cost of $37,000. About half of the cost was assumed by the municipality and the remainder by the Health and Sanitation Division of the Institute.

To initiate the project, some 5,000 meters of concrete sewers were installed in one section of the city, and in May 1944 arrangements were made to extend the sewage system in three other sections. The entire project called for the installation of 16,535 meters of 8- to 15-inch pipe and the construction of 108 manholes.

Municipal officials now propose that a complete city waterworks system be installed at a cost of between $250,000 and $300,000, the city to bear the entire expense.

Surinam's Postwar Plans

A committee appointed by the Territorial Governor of Surinam to study postwar plans and problems in that country has recommended that some 15,000,000 florins (1 florin=$0.5333) be spent for public works and enterprises over a 5-year period. The expenditure is proposed to be distributed as follows: Construction of a new hospital and equipment for such, 3,000,000 florins; irrigation works and other agricultural projects, 5,000,000; construction of roads and public buildings, 3,000,000; development of new industries, 1,000,000; development of mining and commercial aviation, 500,000; and educational facilities, 2,500,000.

Cork

Spanish Output Restricted

Uncertain foreign markets and high transportation and stripping costs have caused a considerable decline in Spain's cork production in recent years. Output continued to be restricted in 1944 as a result of transportation shortages and the cutting off of trade with Central Europe.

Indicative of the curtailment in cork manufacturing, one large company reports that one of its factories with a monthly capacity of 1,500,000 board feet produced 400,000 feet per month during 1944, and two others with a combined capacity of 2,000,000 feet monthly pro-

Peru Hails Chimbote Development

Development of the industrial possibilities of the Chimbote area makes a springboard for Peru's economic advancement, says a statement by the Office of Inter-American Affairs.

This was pointed out by President Manuel Prado, in recent ceremonies dedicating the various projects under way to develop the Chimbote area as a port and industrial center.

Among the projects are health and sanitation works, carried out jointly by Peruvian and United States doctors and engineers. These include malaria-control works, water-supply and sewerage systems, and a 32-bed hospital and health center, all built by the Servicio Cooperativo Inter-Americano de Salud Pública, jointly financed and operated by Peru and the Institute of Inter-American Affairs, an agency of the Office of Inter-American Affairs.

Other public works completed or under way include modern harbor installations, rail reconstruction, housing and school facilities. Inland hydroelectric power, coal and other natural resources are being developed in connection with the improvement of Chimbote as an outlet for the Santa River Valley.

Speaking at the recent dedication ceremonies, President Prado pointed out that the work under way in the Chimbote area is "the crystallization of a comprehensive plan to convert the area into a huge industrial center."

Chimbote, he said, is a natural base for the advance of Peru's industrialization.

[Readers interested in the undertakings at Chimbote and the plans for the area will find a detailed discussion of the subject in the FOREIGN COMMERCE WEEKLY article entitled "Peru's New Center of Industry at Chimbote," published April 7, 1945.]

duced at the rate of 720,000 feet monthly last year. One of the latter factories was forced to suspend operations as it was unable to obtain regular supplies of cork because of the transportation situation.

Electrical Machinery and Equipment

ALGERIA'S ELECTRICAL DEVELOPMENT PROGRAM

The plan for the future development of Algeria includes a program of electrical developments. Among the proposed projects is the completion of nine hydroelectric plants of the 1940 program, the construction of three other small plants, the harnessing of two waterfalls of Small Kabylie, the construction of a modern thermic center at Oran, the modernization of the central at Bone, and the finishing of miscellaneous networks and subnetworks as well as the Algerian-Moroccan interconnection.

On completion of these works, Algeria will dispose of about 400,000,000 hydraulic kilowatt-hours in normal years.

HYDROELECTRIC DEVELOPMENTS, MINAS GERAIS, BRAZIL

The hydroelectric plant under construction in the municipality of Divinopolis, Minas Gerais, Brazil, is expected to be ready to deliver current to Industrial City in the latter part of 1945. The State-owned power substation, which is intended to control all electricity used in Industrial City, is about 95 percent complete.

Most of the equipment needed for the cement plant to be operated in the area has arrived except the electric motors. This plant is scheduled to go into operation by the end of the year if electricity is available by that time.

POWER DEVELOPMENT PROJECT, BRITISH COLUMBIA, CANADA

The first hydroelectric project announced for British Columbia, Canada, to be carried out by the Power Commission under the recently passed Electric Power Act is the development of a 50,000-horsepower plant on Vancouver Island. The project, which will cost about $10,000,000, should be completed within 3 or 4 years. While there is in some quarters a preference for the location of the plant on the Nanaimo River, it seems probable that Elk Falls on the Campbell River will be the site approved.

In addition to undertaking this hydroelectric project, the Province will take over the following other interests: The Nanaimo-Duncan Utilities, Ltd., on Vancouver Island, along with the mainland corporations; the West Canadian Hydroelectric Corporation, Ltd., and subsidiaries; and the Columbia Power Co., Ltd., and subsidiary.

The Power Commission envisages a complete electric development for Vancouver Island with all privately owned distribution systems north of Victoria under the operation of the Commission and all supplied by a single plant.

It was announced recently that the Provincial government has given approval to importation of electric power from the Bonneville project in Washington State upon the assurance that the Bridge River project will be completed by the end of 4 years. Work on the Bridge River developments, which was initiated after World War I, was abandoned during the early 1930's.

RURAL-ELECTRIFICATION PROGRAM IN ANTIOQUIA, COLOMBIA

The contract for a rural-electrification program in the Rionegro Valley, Colombia, has been ratified, according to an announcement of the First Section of the Municipal Electric Co. in Medellin. The program, involving an expenditure of 400,000 pesos (1 peso=approximately 57 cents), will be financed 50 percent by the Government, and the remainder will be provided by the Department of Antioquia, the Cooperative Municipalities, and the First Section of the Municipal Electric Co. of Medellin.

Through provisions of the contract, electricity (up to 5,000 kilowatt-hours) will be supplied to the municipalities of Rionegro, San Vicente, Marinilla, El Penol, and other towns in the Rionegro Valley, which is the source of many fruits and vegetables in the Medellin market. At present these towns are supplied with electricity in quantities that permit only inadequate street lighting and other public needs; little or no current is available to household users.

Plans call for the construction of a substation in Medellin and a 44,000-volt power line to the city of Rionegro, where will be located another substation from which power will go to the valley at 13,000 volts. Power lines are now under construction, and substation equipment has been purchased in the United States. Observers believe that the project will be completed within 2 years, marking the accomplishment of the first step in the electrification programs for the rich agricultural valleys in the Department of Antioquia.

ECUADORAN ELECTRIC COMPANY ISSUES BONDS

La Empresa Eléctrica Municipal has issued 15-year 6 percent bonds in the amount of 10,000,000 sucres, the entire issue being purchased by the Caja del Seguro.

Six million sucres of the bond issue will be applied to the consolidation of all present debts of the company. Of the remaining 4,000,000 sucres, 1,500,000 will be applied to the construction of an administration building, and the remainder will be used for the purchase of equipment.

CONDITION OF ITALIAN ELECTRIC-POWER PLANTS

The condition of electric-power plants in the northern part of Italy is good, and power production is more than sufficient to meet present industrial demands, according to the Italian press. A plan to divert power from this area to the central and southern parts of the country, where there are shortages, is under consideration.

The city of Florence is expected to have adequate public lighting facilities soon. Although installations were badly damaged by bombing, demolition attempts, and Nazi plunder, repair work was begun immediately after the Germans had retreated.

A group of power plants in Ceprano and Tivoli were scheduled to resume operations in May, thus making available for use in the Rome area some 10,000 kilowatts of electricity. Electricity is needed not only for agricultural and industrial purposes in the area but also for more efficient streetcar service and for public lighting, hotels, and private consumers in Rome.

Power Situation in the Netherlands

Steps are being taken to rebuild the large generating station at Geertruidenberg, in the Netherlands, which normally supplied 100,000 kilowatts of electricity. Generators with a total capacity of nearly this amount have been ordered in Switzerland; smaller units will be shipped from the United States. Additional generators with a combined capacity of 50,000 kilowatts for use in smaller stations have been ordered in Switzerland and Great Britain, and delivery is expected by November.

Electrical connections throughout the Province of North Brabant are being prepared to permit the transmission of current to the northern part of the country from Antwerp, Belgium, from the State mines in Limburg, and from Nijmegen. A considerable number of high-tension lines must, however, be built in the two Dutch Provinces before they can be connected to this net. The Antwerp generator from which power is to be supplied is a floating installation.

After connections have been built, the shortage of coal is expected to be the limiting factor on production of electricity in the Netherlands.

Two New Power Plants Completed in Sweden

During March two new power plants were inaugurated in the north of Sweden, the Torpshammar statioin on the Gima River and the Stadsforsen station on the Indal River, reports a British trade publication. These stations are said to rank among the largest in the country.

The Torpshammar station, which cost 36,000,000 crowns, including 8,000,000 crowns for the regulation of the lake system, utilizes a head of 128 meters. The station was designed for eventual production of 100,000 kilowatt-hours; capacity for 55,000 kilowatt-hours has been provided. Above Torpshammar on the same river a small power station (10,000 kilowatt-hours) has been completed at a cost of 4,000,000 crowns.

The Stadsforsen station, which utilizes a fall of 30 meters, has two units with a combined capacity of 90,000 kilowatt-hours. Installation of a third unit is planned for the near future.

New Hydroelectric Stations, U. S. S. R.

A new hydroelectric station has been completed at Alapayevsk on the Neva River (Severdlovsk Oblast), in the Soviet Union, according to the Soviet press. Utilizing turbines and generators produced in Ural factories, the station will supply electric power to the Alapayevsk metallurgical plant and other local enterprises.

Two other hydroelectric stations, the Sinyachikhin and the Melkoozerov plants, are under construction on the Neva River, it is reported.

Proposed Merger of Electric-Light Companies, Venezuela

Anticipated results of a merger of the Compañiá Anónima La Electricidad de Caracas and a subsidiary of a United States electric company operating in Venezuela include a reduction in electric rates, the placing underground of all high-tension, secondary, and feeder lines in keeping with plans to modernized Caracas, and higher electric service standards.

Negotiations for this merger were reported early in July to have arrived at a basis considered satisfactory to the directorates of the two companies. Completion will depend upon the governmental approval necessary for the transfer of certain public lighting contracts from one company to the other.

This proposal has been presented to the municipal councils involved, to the National Supply Commission, Section of Price Control, and to the Government of the Federal District for the necessary approvals. No difficulty in obtaining these approvals is foreseen.

According to the terms of the transfer, the subsidiary of the United States company will transfer to La Electricidad 8 electric generator groups; distribution system in Caraças for lighting and heating; distribution systems for lighting, heating, and power in 11 other areas; and public lighting contracts between the company and three municipalities. In return the subsidiary company will receive $4,800,000 in common stock of La Electricidad and other considerations.

Feathers and Furs

Canadian Fur Trade

During April Canada imported furs (chiefly raw) valued at $1,640,000, as compared with $1,569,000 in March and $605,000 in April 1944. During May imports were valued at $1,888,000, as compared with a value of $1,597,000 in May 1944. The total value for the first 5 months of 1945 was $12,925,000, compared with a value of $14,907,000 in the first 5 months of 1944.

Exports of furs (chiefly raw) were valued at $1,945,000 in April, compared with $2,527,000 in March 1945 and $2,465,000 in April of the preceding year.

Ostrich Breeding Expanding in South Africa

An increased demand for ostrich feathers has given new life to ostrich farms in the Union of South Africa, according to an African publication. Ostrich breeding is expanding in the Little Karroo, but progress is slow because of the depleted numbers following the intensive slaughter of birds several years ago when skins were in great demand. Prices are said to be unusually high.

Foodstuffs and Allied Products

Consumer Rations Reduced in U. K.

Reductions of consumer rations for a number of food products were announced in the United Kingdom on May 23, 1945.

Effective May 27, 1945, the weekly bacon ration, which had been maintained at not less than 4 ounces up to that time, was cut to 3 ounces. The ration of cooking fats, principally hog lard, was cut from 2 ounces to 1 ounce per week.

The basic meat ration remains at 1s. 2d. worth per week, but since a large proportion of the meat available is corned beef, and because it is higher in price, the result will be to reduce somewhat the volume of meat consumption. In the rationing system no distinction is made between pork, beef, lamb, and other types. Consumers are obliged to accept whatever the retailer has available.

Sao Paulo Agricultural Director Tours United States

Dr. Francisco de Assis Iglesias, Director of Agricultural Teaching in the Secretariat of Agriculture, State of Sao Paulo, arrived in Washington recently to begin a 4-month study of United States agricultural teaching methods and techniques. He will make a Nation-wide tour of agricultural institutions and projects.

The Brazilian agricultural director revealed in a press conference that he intends to secure information which will aid him in promoting the welfare of Brazilian farmers by raising educational and training standards. Dr. Iglesias told of his work in Sao Paulo, where a year ago he inaugurated the project of 10 agricultural schools, each at a cost of $1,500,000.

The schools were designed to teach agriculture in two cycles. One cycle consists of 3 years of apprentice farming, and the other 4 years of technical training. He explained that the first stage embraces trainees not yet literate or those with up to 4 years of schooling, while the second stage is built progressively on top of the first.

The purpose of the schools, he explained, is to create an incentive toward an increase in the number of those seeking a vocation in agriculture. He explained that an exodus away from agriculture had apparently taken place, and that these schools were intended to reverse the flow of workers—directing them back to the land. Dr. Iglesias said farmers were the most needed of Brazilian workers, yet to an extent have been a somewhat neglected class. However, he said, the present program is aimed at producing quality rather than quantity in farm workers.

Five of the schools have been constructed, with two already in operation. Three more are under construction, and work is scheduled to start on the other two in the near future. The schools differ one from another, because they are shaped to serve a particular locality.

Coffee

Exports From Honduras

Exports of clean and washed coffee from Honduras in the first quarter of 1945 amounted to only 3,340 bags of 60 kilograms each (1 kilogram=2.2046 pounds) as compared with 13,051 bags in the last quarter of 1944 and 6,392 bags in the first 3 months of 1944.

Dairy Products

Milk Production in Cuba

Continued dry weather was responsible for a further decline in the production of milk and milk products in Cuba during the first part of 1945. While complete statistics are not available, indications are that total milk production for the first half of 1945 is running about two-thirds of the output in the corresponding period of 1944 and only about half of the prewar rate for the spring months.

The most noticeable effect has been the reduction in the production of condensed and evaporated milk. During the first quarter of 1945, total output dropped to 71,350 cases, a decline of 35 percent from the 107,343 cases produced during the corresponding quarter of 1944. In April 1945, when only one plant was in operation, production hit a low of 2,864 cases. Even with the May output estimated at 26,500 cases, the total of 101,714 cases for the first 5 months was still far from normal production for the period of 225,000 cases.

Butter output also dropped, the total for the first 5 months being estimated at not more than 600,000 pounds, which compares unfavorably with the total for the 12 months of 1944 of 2,600,000 pounds or the prewar annual rate of 5,000,000 pounds.

Demand, meanwhile, has been very great during the period, in part because of larger purchasing power. Some emergency supplies of canned milk were obtained in the United States, but the additional supplies were insufficient to offset the small production. Even if normal rains occur during the remainder of the year, it is thought that there will not be an opportunity for great stock accumulation, and serious shortages may again be expected in early 1946.

Production in New Zealand

New Zealand factory butterfat production in the period August 1, 1944, through March 31, 1945, amounted to 136,492 long tons, an increase of 14.4 percent as compared with the 119,338 tons produced in the corresponding period of 1943–44, according to estimates of the New Zealand Dairy Board. These figures cover the bulk of the Dominion's production.

Exports of butter from New Zealand in February 1945 totaled 7,850 tons, as compared with 5,131 tons in February 1944, according to official New Zealand statistics. Cheese exported in February 1945 totaled 10,660 tons as against 6,803 tons in the corresponding month of 1944. These figures do not include quantities supplied to United States and New Zealand forces in the South Pacific.

Fruits

Banana Industry, Canary Islands

Unless the export pattern of the past decade is greatly changed, banana shipments from the Canary Islands in the postwar period probably will be chiefly to Spain. With British and French markets supplied to an increasing degree by the West Indies, the Canary Islands exports have been largely diverted to Spain. Whereas in 1936 Spain took 60 percent of the bananas exported from the Canaries, in 1943 exports to Spain represented 95 percent of the total shipments.

The United States will probably not be seriously considered as a market by banana growers in the Canary Islands; because of the cost of transportation and the possibility of spoilage, they could not compete with producers in Central America.

The banana-growing industry in the Canary Islands, may, however, constitute a market for certain products from the United States. With the wide use of pneumatic drills and compressors in the tunneling processes in search of underground streams of water, as well as the preparation of land for banana plantations, there appear to be good possibilities for limited sales of machinery of this type. Because of the rough terrain of the islands, construction equipment is usually carried by muleback to the site where it is to be used; wheeled machinery is useless. Cement and iron pipe for conveying water to the plantation might also become a marketable item. The pipe sizes usually required are from 3 to 6 inches in diameter.

The quantity of fertilizer required annually for banana cultivation in the Canary Islands is roughly estimated at 22,800 metric tons. Sulfate of ammonia, sulfate of potash, superphosphate of lime, copperas, bone superphosphate, gypsum, and dried blood have been used in varying quantities. In 1943, growers near Teneriffe imported 2,200 tons of ammonium nitrate from the United States and used it with excellent results.

Up to the present, nicotine has been the ingredient most widely used as an insecticide by the banana plantations. It is difficult to determine the exact requirements of the Canaries, especially after the war years when great shortages have occurred, but it can be roughly estimated that their normal annual needs will be about 50,000 pounds of pure nicotine (95 to 98 percent) or 100,000 pounds of nicotine sulfate (40 percent).

Kraft paper is the principal banana-packing material now in use. The paper requirements of the Canary Archipelago for 1 year are in the neighborhood of 2,500 metric tons.

Inasmuch as all transportation is by truck, the banana industry also offers a market for gasoline, oil, and tires, as well as for trucks and truck parts. Existing trucks are stated to be in very poor condition.

Grains and Products

Wheat-Flour Production, Canada

Canadian production of wheat flour in May 1945 amounted to 2,107,944 barrels as compared with 1,962,264 barrels in May 1944. During the period August 1944 through May 1945, 20,728,684 barrels of flour were produced as against 20,676,964 barrels in the corresponding period of 1943–44.

Exports of wheat flour in May 1945 totaled 1,401,502 barrels, bringing the total for the first 10 months of the crop year to 11,162,769 barrels, as against 11,133,547 barrels in the period August 1943 to May 1944.

Ecuadoran Production and Export of Rice

Rice production in Ecuador during the first 4 months of 1945 amounted to 441,424 quintals of 101.4 pounds each. Exports during the first 3 months totaled 4,353,017 kilograms, the destination of shipments being as follows: Cuba, 3,662,092 kilograms; Curacao, 301,290 kilograms; Venezuela, 274,500 kilograms; Costa Rica, 115,000 kilograms and Colombia, 135 kilograms. During the first quarter of 1944, a total of 19,115,643 kilograms of rice was exported from Ecuador.

Dutch Formulate Plan To Rehabilitate Production Potential

A committee of Netherlands financial experts, at the Dutch Government's request, has drawn up a report which, assessing the total of all damage inflicted upon Holland during the war at about $5,575,500,000 (14,750,000,000 guilders), recommends a compulsory savings plan to finance a 5-year, $8,000,000,000 program to rehabilitate the country's production potential.

The report, made by a group of experts headed by Dr. Johannes J. van der Wal, President of the Central Committee of Building Organizations, calculated that the damage to the Netherlands' production potential amounted to about $4,517,100,000 (11,950,000,000 guilders) while about $1,058,400,000 (2,800,000,000 guilders) of the country's gold and foreign investments had been lost.

In order to rebuild the Dutch production potential, the experts said it would be necessary to develop an investment program which they recommended should be stretched over a 5-year period and should total about $8,013,600,000 (21,200,000,000 guilders) calculated at 175 percent of the 1939 price level of materials needed for reconstruction.

To finance this program, the experts recommended that the Government promulgate a compulsory savings plan under which every Dutch citizen would contribute part of his income, receiving in return savings certificates issued by a semiofficial organization.

Meats and Products

Gold Coast Promoting Pork Production

Pork production is being promoted in the Gold Coast, according to the foreign press. The Gold Coast's Department of Agriculture recently announced that efforts are being made to encourage the raising of pigs in the colony.

Those interested in the raising of larger and better pigs are given the opportunity to spend some time at the government pig farms to study methods of pig raising. Persons who have had at least 1 month's training at one of these farms may purchase some well-bred animals from the Gold Coast's Department of Agriculture at reasonable prices.

Sugars and Products

Canadian Sugar Ration Reduced

Canada's reduction of the individual sugar ration in June is expected to save about 30,000 short tons of sugar in 1945. The individual Canadian consumer ration of 2 pounds of sugar monthly, has been cut to 1 pound monthly for June, July, August, October, and December. September and November rations will be 2 pounds monthly as formerly.

Commencing July 1, jam manufacturers are allowed only 70 percent and bakers 60 percent of their 1941 base period usage, as compared with 75 percent prior to July 1. Biscuit and breakfast-cereal manufacturers are cut to 55 percent, as compared with 70 percent, and manufacturers of soft drinks, confectionery, jelly powder, and candy are cut from 65 percent to 50 percent of 1941 base-period usage.

Hungarian Sugar Production

Hungarian sugar production will be small this year. Only about 28,400 acres have been planted to sugar beets for the 1945 crop as compared with an annual average between 1936 and 1940 of 75,260 acres. Of the area sown, from 30 to 40 percent is not expected to produce a good yield because of the unseasonable weather, unsatisfactory tillage, and war damage. The crop will also be adversely affected by shortages of fuel, cultivating machinery, and draft animals.

Prospects are that between 150,000 and 200,000 metric tons of beets will be harvested in October, as against a normal production of between 800,000 and 1,000,000 tons, and that the sugar yield may attain but 20,000 tons, as compared with between 140,000 and 160,000 tons in prewar years.

Hungary has 12 sugar factories, located in Kaposvar, Mezohegyes, Szerencs, Selyp, Sarkad, Szolnok, Hatvan, Ercsi, Ace, Petchaza, Sarvar, and Obuda, 11 of which have a daily capacity of 1,600 metric tons, and 1 has a daily capacity of 1,000 tons.

Only three of the sugar factories suffered war damage, and two of these will be in running order by October when the processing season will begin.

Prior to the war the factories usually obtained their sugar beets from the large landed estates. Incidental to the land reform, all but one of the landed properties with which the factories had contracts for the purchase of beets have been divided. The exception is a 42,600-acre estate which formerly supplied beets to the Mezohegyes beet factory. At the beginning of July 1945, 15,620 acres of that estate remained undivided. Land distribution is expected to have a bad effect on the beet yield available for processing during the present crop year.

Hungary exported about 30,000 tons of sugar annually in earlier years. There will be no exports this year as the country will not have enough sugar for its own requirements.

Czechoslovakia and Rumania may be in a position to export some sugar to Hungary if domestic yields are adequate in those countries and if Hungarian prices warrant such exports. Existing stocks in the Hungarian market are believed to be negligible and there are only small stocks available for distribution at the official price.

Dehydration of Sugar-Beet Juice, U. S. S. R.

A number of plants for the production of dehydrated sugar-beet juice compressed into briquet form are being set up in the Soviet Union, according to the Russian press. Since the original factory was built in 1944 in Kobelyaki, Poltava Oblast, three additional plants have been completed in the Kiev, Poltava, and Kharkov Provinces, and construc-

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tion begun on seven others in the Ukraine.

The new product is reported to keep well, to have but one-fifth the weight of the beet, and to require only one-twelfth the space necessary for storage.

Glass and Products

Canadian Imports

Glass and glassware imports into Canada during the first quarter of 1945 were valued at $3,812,000 (Canadian currency), says an official Dominion publication. Such imports were valued at $3,141,000 during the corresponding period of the preceding year.

Imports Into Eire

Imports of glass and products into Eire during the first quarter of 1945 included 389,640 square feet of plate and sheet glass, 5,005 gross of empty glass jars and bottles, 3,916 hundredweight of domestic glassware (not illuminating), 694 hundredweight of illuminating glassware, and 408 hundredweight of other glass and glassware.

A sharp decrease was noted in the imports of plate and sheet glass, which fell from 1,031,231 square feet in the first quarter of 1944 to 389,640 square feet in the first quarter of 1945.

Iceland's Imports

Icelandic imports of glass and glassware during 1944 were valued at 3,603,000 crowns (6.5 crowns=$1). During 1943 such imports were valued at 1,885,000 crowns.

Iron and Steel

Iron and Steel Industry in U. K. Marking Time

The iron and steel industry of Great Britain has been described by the British press as largely marking time during the first quarter of 1945 in view of the prospects of the need for extensive plant reconstruction and machinery replacement.

Deliveries of iron and steel continued on a very substantial scale, but some parts of the industry, such as the heavy plate and section mills, did not have many large orders ahead.

Foundry allocations of high phosphorous iron barely sufficed for current needs and rerollers took maximum tonnages of billets, sheet bars, and similar items. The volume of orders for light steel sheets was very great, and the output of steel rails, colliery arches, roofing bars, and props was maintained at a high level.

The hope of expanding oversea trade was strengthened when the Government authorized the industry to fill orders from the Dominions. Much is expected from the formation within the British Iron and Steel Federation of an economic efficiency committee to have responsibility for the maintenance of technical efficiency within the industry. The committee will not only offer advice on expansion and reconstruction schemes, but will make surveys of each main section of the industry to stimulate modernization. The prewar Price Policy Committee has also been reconstituted.

Leather and Related Products

Quebracho Stocks in Argentina

Markets for Argentine quebracho extract are being reopened in European countries since their liberation, and Belgium, the Netherlands, the Central European and Scandinavian countries now require large quantities of the extract, says a foreign trade journal. France made a request that such tannins be sent immediately as they were urgently needed for the leather industry.

Stocks of the extract, however, are relatively scarce in Argentina as factories have been experiencing difficulty in obtaining transportation facilities for getting the raw material from its source to the manufacturers. Also, a drought has caused the supply of raw materials to dwindle, depriving all factories of needed supplies.

Production prospects now look more favorable since it is reported that several extract plants plan to reopen.

Shoe Production in South Africa

Since the beginning of the war, the Union of South Africa has produced more than 7,000,000 pairs of army boots entirely from South African leather, reports a foreign trade journal.

For better-quality civilian shoes, particularly women's, South African leather is almost useless except for the sole. Prevailing shortages of upper leather are attributed partly to the fact that the country does not eat veal to any large extent, and thus calfskin is not made available to the leather industry in any large quantity. Other types of domestic leather, such as kid and glace, are in limited supply for similar reasons. Manufacturers of footwear therefore are forced to rely on imported leathers for the uppers of all but the cheaper types of shoes. The importation of many types of leather probably will continue after the war.

Livestock

Cattle Industry of Guernsey, U. K.

Conditions in the cattle industry on the island of Guernsey in the United Kingdom, have recently been reported by the Secretary of the Guernsey Cattle Society. In a published letter he stated that breeders still have about the same number of cows as in 1939, but that young stock is much reduced. The Germans started requisitioning cattle on the island for slaughter early in December 1944, and continued until the last day of their occupation. The poorer animals were disposed of first, but later it was necessary to draw from a better class of cattle. Beginning November 1941 the keeping of calves was restricted to about 450 yearly, whereas about 1,100 were previously registered each year. After November 1944 no calves were allowed to be kept.

Lumber and Products

Canadian Exports of Planks and Boards

Canada's exports of planks and boards increased approximately 20 percent in value during the first 5 months of 1945 over those in the corresponding period of 1944, according to the Dominion Bureau of Statstics. Comparable figures are shown as $33,738,000 and $28,049,000, respectively.

Finland's Felling Program

Finland's felling program for the lumber year 1945–46 calls for the cutting of 52,000,000 cubic meters of wood, 54 percent for firewood, 21 percent small round timber, and 25 percent heavy logs for lumber. These amounts are larger than in previous programs but are needed to meet heavy demands for export and indemnity shipments and for fuel.

Projected fellings of firewood alone exceed the 1944 quantities by 2,000,000 cubic meters, but only half of the 5,100,000 needed by towns for fuel has been felled. Fuel for the railroads is also short, although this situation is expected to improve during the summer. Industrial stocks of lumber are about 50 percent below normal and those of cellulose mills still lower.

A good demand exists in the United Kingdom for pit props, sawn lumber, plywood, cellulose, prefabricated houses, and other wood goods from Finland.

Deliveries of commodities under indemnity payments are proceeding. Timber deliveries can be made more easily next year, but shipments of finished products will depend on the industrial situation. Normal labor conditions are being restored gradually.

Machinery, Other Than Electrical

Output of Farm Machinery To Be Increased, Canada

Approximately a 30 percent increase in output of farm machinery in Canada during the 1946 farm year will be effected if present plans are carried out, according to the Canadian press. Success of the plan will depend upon the possibility of reallocation of materials. Should the aims be realized, increased production will include domestic supplies, requirements for UNRRA and liberated areas, as well as provisions of farm machinery for returned veterans. Rationing of farm machinery will continue through the present year, it is reported.

Southern Rhodesian Firm Interested in Contacting Manufacturers of Machinery

An electrical and mechanical engineering firm, dealing in engineering and mining materials, has been incorporated

in Salisbury, Southern Rhodesia, with a capital of £30,000 under the name of K. B. Davies & Co., Ltd., according to the British press. The firm is reported to be interested in contacting manufacturers of agricultural machinery and implements, general mining supplies, and machine tools, as well as electric motors and control gear, transformers, steel plates, and steel sections, ball and roller bearings, and light railway materials.

Equipment For Cotton-Textile Mills, U. K.

Since January 31, 1945, all applications to acquire dust-removing and air-conditioning equipment for the cotton-textile mills operating in the Manchester District, England, have been granted, according to the latest available information. Of the 102 applications made in the 10 months preceding January, 98 were granted and 4 were refused.

Nonmetallic Minerals

Fossibilities For Cement Industry in Colombia

Production of cement in Colombia in 1943 was valued at 8,709,544 pesos, according to the foreign press. The cement industry, which has had phenomenal growth during the past 10 years, in 1943 represented an investment estimated at 13,135,515 pesos.

Normal requirements of cement are large in Colombia. Adequate supplies of limestone are conveniently located in various parts of the country. In view of needs for paved highways, modern buildings, and public works, the industry would seem to have almost unlimited possibilities.

Production of Fluorspar, Newfoundland

Exports of fluorspar from Newfoundland in the quarter ended March 31, 1945, totaled 1,952 tons, valued at approximately $90,000. One established company has a rated output of 100 tons per working day, but actual production is estimated at considerably less.

Another company had a contract for 8,000 tons of acid-grade fluorspar and 4,000 tons of metallurgical spar by June 31, 1945. There was expected to be no difficulty in fulfilling this contract. A third company, having stockpiles at its mine in St. Lawrence and its plant in Quebec, is reported to be working with only skeleton forces and producing negligible quantities.

Diamond Production in Venezuela

Diamond production in Venezuela is reported to have diminished considerably within recent months. Contributing factors have been lack of transportation, decline of the world price of diamonds, and undesirable living conditions in the diamond-mining areas. Production of diamonds in 1944 totaled 22,037.07 carats.

In March 1945 the Compania Anonima Minera y Comercial obtained exploratory and development concessions for alluvial gold and diamonds covering 40,000 hectares in the region of Surucun of La Gran Sabana. It was the announced intention of this company, having the backing largely of local capital, to undertake the exploitation of diamond deposits in a scientific method using modern machinery. Approximately 600 workers, who now are in the area working under the system of free avail, are reported to have formed a cooperative with the backing of the company as well as of certain diamond buyers interested in fostering increased production. Thus far it is believed that the principal activity of the company has consisted in the construction of a landing field 6 kilometers from La Faisca, located about 60 kilometers west of Santa Elena.

It is reported that the company will spend approximately 120,000 bolivares annually in exploration and development work.

Exploitation of Asbestos Deposit, Venezuela

Operations were scheduled to have begun in June in production of asbestos from deposits west of Tinaquillo, State of Cojedes, Venezuela. Rated production capacity of installations is several thousand tons of fiber yearly, part of which will be used in the manufacture of asbestos cement.

The deposit being worked is the only known commercially exploitable deposit of asbestos rock in the country.

Oils, Fats, and Oilseeds

Babassu-Oil Factory Recently Opened, Brazil

A babassu-oil factory, organized in 1941, recently went into production at Quelrur in the State of Maranhao, Brazil, reports the foreign press.

The initial plan divides the plant into a section equipped to break 150 tons of nuts daily, a pilot distillery capable of handling 10 tons of shells a day, and an oil factory.

Sources of Vegetable Oils, Chile

Because of the lack of domestic production of cottonseed oil, consumption in Chile closely parallels cottonseed imports, which have declined sharply during the past 6 years. Chilean cottonseed imports in 1944 totaled only 199 metric tons; in 1943, 37 metric tons; and in 1938, 50,627 metric tons. Peru furnished about 70 percent from 1938 to 1943, but exportation from that country is now largely prohibited.

Imports of cottonseed oil have been insignificant. During 1940, 1941, 1942 (the last years for which data are available) imports of this oil amounted to 86, 564, and 192 metric tons, respectively, most of it being shipped by Brazil.

Sunflower seed, both domestically produced and imported from Argentina, has largely replaced cottonseed as a source of edible vegetable oil in Chile. Domestic production of sunflower seed amounted to 18,087 metric tons in 1944 and 12,861 metric tons in 1943. Imports from Argentina totaled 23,911 metric tons and 15,750 metric tons, respectively.

The Chilean Government is actively encouraging domestic production of vegetable oilseeds, especially sunflower seed. In view of this policy and the nearby sources of relatively inexpensive vegetable oilseeds, Chile does not appear to offer a substantial market for cottonseed, although the price factor might alter the situation.

Imports of Vegetable Oils, Canada

Canadian imports of vegetable oils in 1944 were valued at $11,356,000, reports the official press. During the first 3 months of 1945, the value of imports of these products were $2,813,000 (Canadian currency).

Meeting Demand For Edible Oils, French Morocco

During the 1944–45 season, only about 3,500 tons of olive oil were available from domestic production in French Morocco. In addition, 2,000 tons from Tunisia were expected to be delivered.

A few thousand tons of edible oil were obtained from cottonseed, flaxseed, sunflower seed, and castor seed to meet Morocco's needs. It was reported to be necessary to import sufficient peanuts and crude peanut oil to make about 18,000 tons of refined oil.

Production of Groundnuts, India

The final all-India estimate of the 1944–45 area planted to groundnuts is 9,841,000 acres, an increase of 3 percent over the past season's figure, reports the British press. Production of the nuts is placed at 3,560,000 tons, a decrease of 6.9 percent compared with that of the past year.

Peruvian Cottonseed Output

Production of cottonseed in Peru during 1943–44 amounted to 2,492,767 quintals, and in the 1942–43 season 2,060,389 quintals.

Petroleum and Products

Developments in Petroleum Exploration, Cuba

Despite the fact that no important source of petroleum has been established in Cuba where petroleum occurrences are found in every Province, oil companies are continuing both geophysical surveys and exploratory drillings at several points in the Republic. Of the three field parties belonging to one important United States company engaged in geophysical work, one is located offshore around the western end of the island, with its base at Santa Fe; a sec-

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ond is in south-central Pinar del Rio Province; and the third is in the Cauto Valley in the Oriente Province.

This company finished and abandoned a third test hole at a depth of 3,441 feet in south-central Pinar del Rio on May 13, 1945, because it was bottomed in serpentine instead of the favorable sedimentary formation as were the two holes previously drilled. Preparations are under way to start drilling a fourth hole about 4 kilometers west of Los Palacios in the same Province.

British-Dutch interests, operating in northwestern Camaguey Province, reportedly are drilling a test hole near Punta Alegre, where a depth of 911 feet has been reached.

Present production of petroleum products in Cuba is confined to natural gasoline at Motembo, where average monthly output for the first 3 months in 1945 was less than 250,000 gallons; light-gravity oil at Jarahueca, with output during the first quarter of the current year at less than 50,000 gallons monthly; and asphalt from small mines in Pinar del Rio and Santa Clara.

Condition of Refineries and Storage Facilities, France

Although both refinery and storage installation for petroleum near Bordeaux, France, suffered severe damage, present facilities at Ambes, together with those of Hassens and Pauillac, are in condition to receive a total of 100,000 tons of petroleum, according to the foreign press. Hope is expressed that when the entrances have been cleared Bordeaux will again be able to handle 5,500,000 tons of petroleum annually.

Construction of Oil Refinery, Venezuela

Work has begun on construction of 12 cement-block houses as part of the preliminary construction of an oil refinery to be built in Venezuela by British-Dutch interests operating there. The present program includes also the construction of a water and sewerage system, a stone dock for lighters and small boats, an airstrip for company airplanes, housing for about a dozen supervisors, and some offices and warehouses. Actual work on the refinery must wait until steel and other materials can be imported.

The completed refinery is expected to cost about 100,000,000 bolivares (about $30,000,000) and have a capacity for processing 50,000 barrels of crude oil daily. Gasoline, Diesel fuel, asphalt, and other products will be obtained.

The site for the refinery is an area about 2 by 5 kilometers, extending from north to south, the southern end touching the village of El Cardon. The oil jetty for oceangoing tankers will extend into deep water near the southern end. The refinery and storage tanks will be north of the jetty, the airstrip north of these, and the residential quarters will occupy the most northerly section of the site.

Extended efforts are still being made to find a supply of fresh water for the project. Borings and drillings on the Paraguana Peninsula and the mainland have not been successful. Sites farther in will be tried until an adequate supply of water is established. Water sufficient for preliminary construction is being obtained from catch basins near the refinery.

Railway Equipment

Condition of State-Owned Railway, Mozambique

Equipment of the State-owned railway systems in Mozambique (Caminhos de Ferro da Colonia de Mozambique) is comprised of the following: In operation, 80 railway-owned steam locomotives (burning coal and wood); 71 passenger cars (5 with freon air conditioning), capacity, 67; 25 baggage vans; 12 motor rail cars, capacity 27; 26 trailers; 3 busses; 134 trucks; 1,589 tanks, refrigerators, boxes, gondolas, and flats (tanks, 40; refrigerators, 6); no mining or industrial cars. The general condition of this equipment is good. Vacuum brakes are generally used.

There is no railway-equipment industry in the colony. The railway-owned workshops are equipped to build passenger cars as well as to do repair work of any kind but are dependent on imported material for all work.

Rubber and Products

Progress in Production, Panama

Approximately all of the 60,000 seeds produced during 1944 by improved varieties of rubber trees on the all-weather estate of the Inter-American Institute of Agricultural Sciences in Panama were shipped to the U. S. Department of Agriculture Rubber Plant Field Station at Turrialba, Costa Rica. Estimates place the 1945 yield by the Institute estate trees at 100,000 seeds. The Institute is beginning to tap regularly some of its high-yielding trees and 400 seedlings of a variety resistant to South American leaf disease. Ultimately it should have more than 100 acres of tappable trees and be able to produce large quantities of seeds for distribution.

Increase in Production of Guayule, U. S. S. R.

The Caucasian republic of Azerbaidzhan in the Soviet Union is increasing the area under cultivation in the rubber-bearing guayule plant, according to the Soviet press. On one large State farm where a hectare of guayule has been known to yield three times as much as a hectare planted to koksagyz, the Russian dandelion which has come into prominence as a source of rubber, 2,000,000 new plants were set out during the current season.

The first factory in the Soviet Union for the processing of guayule was reported in March to be under construction and was expected to begin operation soon.

Wartime Ingenuity
Is Already Shaping
Peacetime Miracles

Shipbuilding

Swedish Industry

Before the war, Swedish-built ships were constructed mostly of imported materials and equipment, Germany being the chief supplier of ship plates. During the war, however, several Swedish steel mills furnished a larger portion of the plates. Diesel motors formerly were chiefly Danish, but in recent years Swedish yards have constructed their own motors, the Gotaverken yards at Goteborg being outstanding in this type of construction.

Swedish shipyards will be in the market for Oregon pine, teak, steel plates and shapes, as well as coal, when world markets are again open to them, in the opinion of the manager of one large Stockholm yard who also expressed an interest in the improved navigation instruments of United States manufacture. Other items required include machine tools, outfitting cranes, and industrial-type fork trucks for use in the yards.

The most common terms of payment for ship construction in Sweden are in installments of 20 percent: (1) on the signing of the contract; (2) when the keel is laid; (3) on the completion of the frame structure; (4) on launching; and (5) when delivered. Norwegian shipping companies have their own contracts, however, which stipulate installments over long periods, often several years, against promissory notes with mortgages on the ships. In the past, Swedish yards have built many Norwegian ships and are expected to build many more. In some contracts the builder of the vessel is required to notify the purchaser of each due date at least a month in advance. If not paid when due, builders receive interest on unpaid balance, and in some cases may cancel the contract and claim damage.

Builders are often required to keep the ship insured against marine and fire risks while under construction in amounts equal to the payments made by the purchaser.

In the 10 leading shipyards in Sweden, more than 17,000 workmen are employed.

Soaps, Toiletries, and Essential Oils

Eire's Imports

In the first 4 months of 1945, Erie imported 92 hundredweight of hard soap, valued at £270, compared with 122 hundredweight, worth £361, from January through April 1944. Imports of "other kinds of soaps, including substitutes and powders," during the first 4 months of 1945 amounted to 4,100 hundredweight,

valued at £16,292, a slight increase over the 3,404 hundredweight imported in the corresponding period of 1944, according to official figures.

Imports of perfumery and cosmetics in the first 4 months of 1945 were valued at £15,722, compared with £4,272, in the corresponding period of 1944.

Imports of essential oils into Eire during the first 4 months of 1945 amounted to 3,379 pounds, with a value of £4,640, compared with 4,378 pounds in the corresponding period of 1944, valued at £7,022.

Special Products

Eire's Foreign Trade

During the first quarter of 1945, exports from Eire included 1,139 hundredweight of newspapers valued at £11,506; 2,195 hundredweight of books and other reading matter valued at £31,221, and toys and games valued at £3,921.

Imports of special products during the period under review included the following items:

Imports During the First Quarter 1945

Item	Quantity	Value
Newspapers.....dozen	272,511	£19,838
Periodicals.....dozen	185,972	26,049
Novels in English, bound number	38,956	6,120
Books, other than novels hundredweight	719	16,843
Furniture, iron and steel hundredweight	19	340
Furniture and parts, wood		312
Gas heaters, cookers, and parts.....hundredweight	70	561
Electric cooking apparatus and parts		338
Containers of tinned plate, empty.....hundredweight	21,866	87,894
Cinematograph films, exposed, positives.....linear feet	1,235,788	8,329
Sensitized photographic paper, plates and films		7,911
Safety razor blades and blanks.....gross	7,756	4,750
Clocks and watches.....number	1,637	2,417
Buttons.....gross	25,211	2,658
Dolls.....number	659	395
Toys, wooden.....number	749	166
Brushes.....dozen	4,880	2,491

Stone, Clay, and Related Products

Pottery Imports, Iceland

Pottery imports into Iceland increased considerably in value during 1944 over those of 1943. During 1944 such imports were valued at 2,562,000 crowns, compared with 846,000 crowns during the preceding year.

Imports Into Eire

During the first quarter of 1945, Eire's imports of stone, clay, and allied products (with those for the corresponding period of 1944 in parentheses) included the following, according to official statistics: Clay, 9,269 (8,228) hundredweight valued at £2,701 (£3,525); unmanufactured stone and marble, 853 (980) tons valued at £3,927 (£1,990); unglazed tile (excluding fire-clay tile), 1,726 (1,364) hundredweight valued at £1,373 (£1,477); fire-clay goods valued at £14,710 (£27,615); glazed domestic earthenware and chinaware (excluding fixtures and fittings), 933 (932) hundredweight valued at £8,308 (£6,608); and unglazed earthenware and other clay products valued at £2,542 (£1,118).

Canadian Production and Imports

Canadian production of clay products was valued at $6,915,475 (Canadian currency) during 1944, compared with $6,608,193 in 1943, says a Dominion publication. Lime production amounted to $6,760,262, only slightly under that of the preceding year. Production of stone decreased to $6,779,551 from $7,964,179 during 1943, whereas the output of sand and gravel increased in value to $9,375,388 from $9,005,857 in 1943.

Imports of stone and products into Canada during the first quarter of 1945 were valued at $2,155.000 (Canadian currency), a decrease from the value of such imports ($2,209,000) during the corresponding period of 1944. A greater decrease was noted in the imports of clay products which were valued at $2,942,000, compared with $3,059,000 during the first quarter of 1944.

Need for Bricks, Netherlands

It is estimated that only one-sixth of the normal output of bricks in the Netherlands is the maximum which can be reached in the near future. This amount represents only one-half of the number needed immediately for temporary houses.

Textiles and Related Products

Situation in New Zealand

New Zealand's 1944–45 wool season progressed satisfactorily during the first quarter of this year, with indications that the quantity and quality would be superior to the 1943–44 yield. Storage facilities are inadequate and in some instances airplane hangars are being used.

Retail supplies of textile products improved during the first quarter of 1945, particularly those of towels, sheets, blankets, pillow slips, woolen piece goods, silk and rayon piece goods, floor coverings, and tailors' trimmings. A shortage of children's clothing developed during February, because of an increased demand incident to the reopening of schools.

During 1944 imports of hosiery were reported to have been 400 percent above those of 1943; apparel and ready-made clothing showed an increase of 60 percent; floor coverings, 300 percent; and silk and rayon piece goods, 22 percent.

Looms Operating, Trans-Jordan

Cloth is being produced in Trans-Jordan on 26 looms. The output can be increased by the use of 21 additional looms which are reported ready to start.

Cotton and Products

Brazilian Exports

During the first 2 months of 1945, 13,245 metric tons of lint cotton, valued at 84,686 cruzeiros, were exported from Brazil. This is far below the 24,373 tons valued at 140,768 cruzeiros shipped in the corresponding months of 1944.

Exports of cotton cloth during the first quarter of 1945 totaled 4,635 metric tons (259,921,000 cruzeiros), of which 3,333 tons went to other South American countries. This compares with the 3,427 tons and 5,282 tons shipped during like months of 1944 and 1943, respectively.

Cotton Production and Trade, Peru

Peru's 1945 cotton crop is estimated at 62,100 metric tons, according to early releases by the Peruvian Cotton Chamber. Water shortages in some areas and insect pests in others are responsible for the lower crop as compared with the 67,154 tons of the preceding season.

Up to the end of March, 64,697 tons of the 1944 crop had been sold. Sales of 1945 cotton totaled only 863 metric tons, all Tanguis. By the corresponding date of 1944, 4,417 tons of 1944 cotton had been sold.

As of May 10, 1945, cotton stocks at Peruvian ports amounted to 67,949 tons. Most of this had already been sold and was being held for shipment.

Exports of cotton during March aggregated 2,609 metric tons, slightly more than the 2,553 tons exported in the corresponding month of 1944. Colombia, the United Kingdom, and Venezuela were the chief purchasers.

Cumulative totals of cotton exports for the first quarter of 1944 and 1945 are as follows:

Exports of Cotton From Peru

[In metric tons]

Country	First quarter, 1944	First quarter, 1945
Argentina	431	298
Bolivia	34	263
Colombia	363	1,351
Costa Rica	102	148
Cuba	55	1,064
Chile	1,105	853
Ecuador	451	215
Spain	1,015	
United States	320	1,377
Great Britain	3,464	629
Guatemala	280	139
Sweden	100	432
Switzerland		801
Uruguay	102	51
Venezuela		1,484
Total	7,822	9,105

Cotton Production, Spain

At the end of March, 46,160 hectares had been authorized for cotton planting in the Seville agricultural area of Spain. It is expected that a total of 50,000 hectares will have been reached by the time all planting has been completed. The crop is expected to be less than the 27,000 bales of ginned cotton (220 kilograms each) of the past year.

Wool and Products

Wool Output and Exports, Chile

Chile's sheep population is unofficially estimated at from 6,000,000 to 6,300,000 head. The 1944–45 wool production is placed at between 15,000 and 16,000 metric tons. In the preceding year 16,000 tons were produced.

Preliminary figures indicate that during the first 4 months of 1945 approximately 6,235 metric tons of wool were exported. In the 12 months of 1944 9,979 tons were exported, valued at $6,115,525 f. o. b. frontier (U. S. currency). Shipments in 1943 totaled 12,455 tons, worth $7,725,752, and in 1942, 7,407 tons, $4,560,767.

Situation in Iran

During the Iranian year ended March 20, 1945, approximately 9,450 metric tons of wool were produced in Iran, all unwashed, with the exception of 4,750 tons of Khorassan extra fine which was washed in streams before clipping. Domestic consumption for the year is estimated at 8,500 metric tons. The chief users were textile mills, which manufactured blankets and uniforms, and carpet factories. Wool stocks are unofficially estimated at 9,000 metric tons.

Italian Industry

Italy's woolen mills are concentrated in the Piedmont, Venice, and Tuscany regions, with smaller plants scattered throughout central Italy. At the outbreak of World War II these plants were equipped with about 750,000 spindles for carded wool, 670,000 spindles for combed wool, and 21,000 mechanical looms, giving employment to about 100,000 workers.

It is expected that about 75 percent of the plants will again be in operation in the near future. Operators reportedly were able to save some of their machinery and equipment from the invading forces, but they are now faced with the problem of obtaining replacement parts.

Italy's domestic supply of wool is comparatively small, and the mills must depend to a large extent on foreign sources.

Spinning Activity, Uruguay

Uruguay's woolen mills operated at capacity during the first quarter of 1945 and the 2 preceding years. Spinners had difficulty in manufacturing sufficient yarn to supply the country's looms and fill the heavy export demand. It is reported that orders have been accepted for a year in advance on the basis of present production. All of the larger companies plan to expand their spinning equipment as soon as it is available.

Montevideo Market, Uruguay

May deliveries of wool to the Montevideo market from the interior of Uruguay amounted to 1,734,339 kilograms, to which must be added 1,216,740 kilograms delivered by cart and truck during April but not previously recorded, bringing the total for the season which began October 1, 1944, to 65,275,485 kilograms. This is somewhat more than the 58,246,284 kilograms delivered during the corresponding period of the preceding season.

Exports of wool from Montevideo from the beginning of the 1944–45 season to May 31 aggregated 129,056 bales (approximately 483 kilograms each), as compared with 63,548 bales in the corresponding months of 1943–44.

Miscellaneous Fibers

Sisal and Ramie Production, Haiti

On April 30, 1945, commercial plantations in Haiti were growing 51,215 acres of sisal, of which 19,174 acres will be ready for harvest in 1945. The average life of the sisal plant is 7 years. About 3 years are spent in reaching maturity, after which one crop of leaves may be gathered during each of the next 4 years.

Sisal is grown by small-scale farmers throughout the country as borders along property lines or between fields. The yield is believed to be equivalent to that of about 1,000 acres of commercial plantings. Most of it is consumed in Haiti. In addition, 200,000 pounds of commercial fiber are allocated for handicraft use.

During the first quarter of 1945, sisal exports totaled 2,346 metric tons, as compared with 7,985 tons in all of 1944, 10,652 tons in 1943, and 11,703 tons in 1942.

About 60 acres of ramie which were harvested during the first quarter of 1945 produced 41,042 pounds of fiber.

Wearing Apparel

Imports, Bermuda

Imports of clothing into Bermuda during 1944 were valued at £426,260, as compared with £481,657 in 1943, according to a foreign publication.

Uruguayan Industry

Hats continued in slight demand during the first quarter of this year, and Uruguay's industry was very quiet. Efforts to develop an export market were continued.

Uruguay's clothing industry consists primarily of individual tailors.

Tobacco and Related Products

Industry in Algeria

Tobacco, considered a minor crop in Algeria, is grown on the coastal plains of the Departments of Constantine and Algiers, including the sections known as the Grande Kabylie, the Mitidja, and the regions near Alma, des Issers, and Bone. There are few large tobacco plantations in Algeria, the greater part of the production coming from small plantings.

The following table shows the average plantings and production of tobacco during the years 1934–1938 and the actual figures for 1939 to 1942:

Algerian Tobacco Plantings and Production

Year	Hectares planted	Metric tons produced
1934–38 (average)	23,086	19,140
1939	20,960	14,281
1940	20,421	14,032
1941	24,778	19,260
1942	15,132	9,630

The 1943 tobacco crop reportedly amounted to 8,500 metric tons, and that of 1944 to about 7,500 tons. With the acute food shortages existing in the country during 1943 and 1944, many small farmers planted food crops instead of tobacco in order to feed themselves and also to take advantage of the high prices obtainable for food. It is expected that the 1945 crop will be smaller than the 1944 plantings.

In general, the smoking tobacco grown in Algeria is a mild type, requiring blending for flavor and even combustibility. For this reason, although the country exported in normal years about 65 percent of its crop of leaf tobacco, it was necessary to import from 35 to 50 percent of consumption needs in order to obtain a satisfactory blend.

Before the war the Department of Agriculture of the Algerian Government not only conducted experiments to determine the types of tobacco best suited to the country, but occasionally distributed free seed and took other steps to encourage production.

The local tobacco crop is sold by various methods. The largest purchasing group is the group of cooperative societies which buys in large quantities and carries stocks for distribution to members throughout the year as needed. The French Tobacco Regie, in normal times, was also an individual purchaser. In 1938, there were four or five public tobacco markets in the Department of Algiers, but sales in these markets covered not more than 15 percent of the total crop. Other sales were made at the farms where producers dealt directly with consumers.

In prewar years, between 30 and 50 percent of the domestic demand for leaf tobacco was met by imports from the United States, Brazil, Santo Domingo, Paraguay, and the Netherlands Indies. Total consumption of both imported and domestic tobaccos for the manufacture of cigars, cigarettes, and smoking tobacco averaged about 10,000 to 12,000 metric tons per year.

The war affected this situation to a marked extent. Imports were cut off, export markets were reduced, and the domestic crop decreased. An official statement issued in February 1945 showed the distribution of the 1944 crop to be as follows: Domestic consumption, 2,786 metric tons; exports to the French Regie, 2,000 tons; French Army needs, 1,619 tons; exports to Tunisia, 1,175 tons; exports to Morocco, 920 tons; total, 8,500 metric tons.

In the 5-year period 1934–38, the Dominican Republic and Brazil were the largest individual suppliers of leaf tobacco to Algeria, the United States followed in third or fourth place on the basis of volume of trade. Imports from the United States averaged about 500 metric tons per year and consisted of burley, bright flue-cured, and dark-fired Kentucky-Tennessee leaf for the most part. The Dominican and Brazilian imports were of similar types, and their leading position in the Algerian market was due to their comparatively low price.

Both cigars and cigarettes are manufactured in Algeria, the leading factories being located in Algiers and Oran. Oran is the center of the cigar-making industry, whereas the Algiers factories produce 80 percent of the cigarettes domes-

tically manufactured. Establishments making tobacco products in the Department of Constantine are all small and specialize in the production of snuff and chewing and smoking tobacco.

The principal activity of the Algerian tobacco-products industry in normal years was the production of cigars and cigarettes for export to France and the French colonies. This trade was the chief reason for the use of imported tobaccos, since the local Algerian trade in general consumed a much lower-priced grade of cigarettes, and other products.

France, Indochina, Madagascar, and French West Africa were formerly the largest export markets for Algerian tobacco products, but with the development of the manufacture of tobacco products in those territories, especially in French Indochina and French West Africa, the demand for the Algerian products declined, and several Algerian manufacturers established branch factories in those countries in order to retain their business there. With the drop in the demand from export markets, Algerian manufacturers were forced to rely more on the production of less-expensive cigarettes, and their use of high-grade imported tobaccos declined accordingly.

Imports of cigars in prewar years amounted to between 4,000,000 and 10,000,000 units per year and came chiefly from Belgium and Switzerland. Imports of cigarettes were small, amounting to between 15 and 40 metric tons per year, and were chiefly for the tourist trade.

In prewar years, between 30 and 50 percent of the imported tobacco was used in the manufacture of cigarettes in Algeria, and during the years following 1942, this was reduced to about 12 percent. The cigarette factories are for the most part fully mechanized.

In 1938, smoking tobacco was produced in 33 Algerian establishments, chewing tobacco in 11, and snuff in 30. Most of the smoking tobacco is produced by the manufacturers who use the tobacco waste remaining from the manufacture of smoking tobacco for the production of cheap cigarettes. The establishments of the Department of Constantine are the largest producers of snuff, for which they use domestic snuff tobacco entirely. Neither snuff, nor chewing tobacco, however, are large items of production. Smoking tobacco is an item of some importance, as to both production and export. Selected domestic and imported leaf are used in its production in normal times, and the local demand is fairly steady.

Developments in Industry in Brazil

Final estimates of the 1945 flue-cured tobacco production in Rio Grande do Sul, Brazil, are placed at 110,000 bales of 75 kilograms or 165 pounds, each, compared with 140,000 bales for 1944. The planting season extends from September to the latter part of October, and the harvesting season, from November to April.

Present estimates for the 1945 air-cured crop place the amount at 160,000 bales compared with 220,000 bales in 1944. Air-cured leaf in Rio Grande do Sul is planted from September to December and harvested from January until May.

The 1944 production of 40,000 bales of 75 kilograms each of air-cured tobacco in Santa Catarina may be exceeded somewhat in 1945. Present estimates place the 1945 crop at from 40,000 to 50,000 bales. As in 1943, almost all of this tobacco will go to domestic buyers, chiefly because of lack of shipping. Before the war, Santa Catarina tobacco was normally exported to Germany.

The most important single development in the tobacco industry in Santa Catarina is the prospective introduction and expansion of flue-cured tobacco in the northeastern part of the State.

Trade sources estimate that, based on national consumption during 1944, 300,000 bales of leaf tobacco are needed for the manufacture of domestic cigarettes and cut tobacco for hand-made cigarettes in Brazil. At least 90 percent of all flue-cured tobacco produced in Brazil comes from Rio Grande do Sul, and the crop for 1945, presently estimated at 270,000 bales, will lack 30,000 bales of meeting the domestic needs.

A part of the estimated 40,000 to 50,000 bales of Santa Catarina air-cured crop for 1945 may be used to make up the difference between needs and available supplies. However, tobacco from this region is not redried, but goes through a limited fermentation process, making it suitable only for a substitute in cigarette manufacture, when redried tobacco is not available. A good proportion of the Santa Catarina tobacco crop has been used for manufacturing cigars for domestic consumption.

The marked advance in tobacco prices during 1945 has caused producers to consider planting a greater acreage for the 1945–46 season. Producers who dropped out because of low-price levels are expected to return to production, and potential tobacco-producing areas are expected to become active for next year's crop.

Situation in Canadian Industry

Estimated tobacco production in Canada during 1944 has been revised from 102,100,000 to 105,400,000 pounds. Most of the upward revision was in the flue-cured type. Cigar leaf was the only type revised downward. The 1944 crop would have exceeded the record crop of 1939 had it not been that between 3,000,000 and 4,000,000 pounds were lost from freezing last September.

On May 17, the Board of Directors of the Ontario Flue-Cured Tobacco Marketing Association voted to change the system of appraising tobacco crops so that marketing may begin a month earlier than previously.

Advertising
Holds Friendship
of Those
You'll Sell Tomorrow

Tobacco labor will again come under Selective Service regulations in 1945, in accordance with the order in council passed in August 1943. Every male person over 16 and less than 65 years of age who works in the flue-cured tobacco industry between July 15 and October 15 must obtain a permit to do so.

Conditions in Costa Rica

The acreage for the 1944–45 tobacco crop in Costa Rica amounted to about 2,000 manzanas (1 manzana=1.7 acres), almost double the acreage of the 1943–44 crop. This is attributed to the increased demand for machine-made cigarettes and the high prices paid farmers for tobacco. The bulk of the tobacco is grown in the southwestern part of the Province of Alajuela and in the northwestern part of the Province of San Jose. Tobacco planted for the 1944–45 crop is of the cigarette type, air-cured, grown from Burley and Virginia seed. The quality of Costa Rican tobacco grown from United States seed does not compare, however, with the leaf produced in the United States from the same seed.

Costa Rica is about 95 percent self-sufficient in cigarette-type tobaccos and 100 percent self-sufficient in types suitable for inexpensive cigars, yellow cigarettes, and chewing tobacco.

Consumption of leaf tobacco has increased in the past 3 years because the demand for machine-made cigarettes has expanded by about 18 percent a year. The sale of tobacco for cigars, amarillos, and chewing tobacco has diminished as a result of the scarcity of excess tobacco.

Imports of leaf tobacco in 1944 amounted to 40,302 kilograms, a sharp decrease from the 126,721 kilograms imported in 1943. Nevertheless, the trend in imports has been upward for the past 4 years. About 96 percent of imports have been from the United States, Turkish tobacco accounting for the remainder.

In 1944, 612,430,860 cigarettes were manufactured; in 1943, 525,349,900; and in 1942, 425,410,360. The cigarette industry is fully mechanized with the exception of hand-made yellow cigarettes. Greater numbers of domestically manufactured cigarettes are being sold because of improved manufacturing processes and the scarcity of cigarettes imported from the United States. Imports of cigarettes in 1944 amounted to 45,785,850 units and in 1943, to 38,721,136 units, most of them coming from the United States.

The Costa Rican cigar industry is not mechanized, although sales of "handmades" amounted to 7,000,000 per month in 1943. Sales have been reduced considerably on account of the high prices paid by cigarette manufacturers for tobacco. No cigar leaf is imported from the United States. There is a small business in imported cigars.

Production of chewing and smoking tobacco, manufactured entirely of lower-grade Costa Rican tobacco, has decreased. There is no demand for snuff. Although high duties practically prohibit the importation of these products, a very small sale for some of the leading United States brands of smoking tobacco exists.

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollar to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to a dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1943 (annual)	1944 (annual)	April 1945 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	May 30, 1945
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market	4.06	4.03	4.04	4.04	.2475	Do.
Bolivia	Boliviano	Controlled	42.91	42.42	42.42	42.42	.0236	May 31, 1945
		Curb	45.42	51.80	58.00	58.00	.0172	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	Apr. 30, 1945
		Free market	19.63	19.57	19.50	19.50	.0513	Do.
		Special free market	20.43	20.20	20.00	20.00	.0500	Do.
Chile	Peso	Special	19.37	19.37	19.37	19.37	.0516	June 30, 1945
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Free market	32.37	31.85	32.26	32.54	.0307	Do.
		"D. P." [2]	31.00	31.00	31.00	31.00	.0323	Do.
Colombia	do	Commercial bank	1.75	1.75	1.75	1.746	.5727	Apr. 30, 1945
		Bank of Republic	1.76	1.76	1.76	1.755	.5698	Do.
		Curb	1.76	1.75	1.83	1.835	.5450	Do.
Costa Rica	Colon	Uncontrolled	5.65	5.66	5.66	5.66	.1767	Do.
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	May 31, 1945
Ecuador	Sucre	Central Bank (official)	14.10	14.06	13.77	[5] 13.77	.0726	Do.
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Do.
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Do.
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	June 23, 1945
		Curb	5.16	5.72	7.18	7.29	.1372	Do.
Paraguay	Paper peso	Official	333.00					
	Guarani [4]	do	3.10	3.11	3.12	3.12	.3205	May 19, 1945
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Apr. 30, 1945
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Do.
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	June 30, 1945
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	May 31, 1945
		Free	3.35	3.35	3.35	3.35	.2985	Do.

[1] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.
[2] Disponibilidades proprias (private funds).
[3] Used until Nov. 7, when the paper peso was replaced by the guarani.
[4] New currency unit instituted as of Nov. 8, 1943. Paraguayan central bank establishes a "legal rate" from which buying and selling rates may vary by 1 percent. Since July 13, 1944, the legal rate has been fixed at 3.09 guaranies to the dollar, resulting in buying and selling rates of 3.059 and 3.121, respectively.
[5] A decree of Nov. 18, 1944, fixed basic central bank buying and selling rates at 13.40 and 13.50 sucres to the dollar, respectively, but the imposition at the same time of a 2 percent charge on all exchange transactions has resulted in effective buying and selling rates of 13.132 and 13.77.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Release of Blacked-Out Foreign-Trade Statistics

(Continued from p. 3)

and destination for each commodity. The field offices also have been supplied with a limited number of copies of other tables on United States imports and exports of which sufficient copies are not available for public distribution.

Service in Altered Form

Inquiries are being received from persons desiring statistics on foreign trade regarding the resumption of the prewar mimeographed service which presented each month information on imports or exports of selected commodities by country of origin or destination. These monthly statements are not to be fully resumed at the present time. However, almost all of the statistics which formerly appeared in these mimeographed statements are now available in the FT–110 reports for imports and FT–410 for exports. These reports contain information on all the commodities in a group, such as machinery or chemicals. In a few cases the former mimeographed statements showed imports or exports for selected commodities by Customs Districts; this additional segregation by Customs Districts can be supplied for current reports on request.

Information on the foreign trade of the United States which will appear in future issues of the International Reference Service includes the annual summary bulletin on Foreign Trade of the United States and statistical country studies accompanied by appropriate analyses published separately and for the Foreign Commerce Yearbook. Commodity studies will be published in the Industrial Reference Service. Preparation of these reports will be completed as rapidly as personnel can be made available.

Spain's Electronic Needs

(Continued from p. 7)

Question of Foreign Broadcasts

The Government exercises rigid censorship control over radio programs in Spain. Transcriptions of programs originating in foreign countries are not used. Direct reception from Great Britain, Germany, Italy, and France is good, but, because of the relatively small number of radio sets equipped to receive them, short-wave programs from the United States reach fewer listeners. Because of the predominantly political character of foreign broadcasts, it is not known what the reaction would be to foreign programs of a purely commercial or entertainment nature. International commercial advertising has never been tried to any extent in Spain by any foreign nation.

Fixed and mobile public-square radio systems are not employed in reaching the Spanish public, and it is doubtful that this medium could be used because of the extreme difficulty of obtaining the necessary official permits.

Seaweed in Industry

(Continued from p. 17)

will be comparable to wood. Sound-proof boards produced from seaweed have been used in houses and even in broadcasting studios. Recently exhibited in Eire—besides seaweed boards and size for twine and rope—were candies made in Dublin from seaweed materials and new polysaccharides obtained from the red algae.

Today's Needs and Hopes

Utilization of seaweed commercially on a large scale will demand considerable additional research from both the biochemical and technical angles before any great number of products can be placed on the market. Firms willing to undertake cultivation of seaweed and to conduct extensive chemical investigations may succeed in establishing a valuable industry. One of the reasons underlying Stanford's failure to establish a successful seaweed-products industry was the remoteness of the raw-material sources, but transportation developments since that time have largely solved this problem and opened up areas formerly difficult of access. A manufacturer of seaweed products also has other advantages today. Greater progress along technical lines, the growing knowledge of organic chemistry, and a larger demand for organic materials—all are favorable factors.

British books reaching Belgium for the first time in 5 years are said to be having a ready sale. The British press reports that news of the arrival of a shipment in Brussels soon spreads and stocks are sold as soon as they are unpacked.

Destroy Economic Basis of German Aggression!

(Continued from p. 5)

The Germans systematically looted all manner of valuable property, not only to satisfy the aesthetic sensibilities of such celebrated collectors as Goering, but to acquire wealth cheaply for concealment abroad. Looting reached its all-time low when gold was picked from the teeth of gas-chamber victims. A more subtle form of looting was outright "purchase" with occupation currency from fearful sellers.

Examples of Techniques

Since the flight of Axis capital is the most recent and covert phase of German efforts to achieve safe haven, it will be understood that a great many cases are presently under active investigation, both in Germany and elsewhere, and that care must be exercised in mentioning names or localities. I should like, however, to illustrate some of the techniques used to foster the flight of German economic power to neutral countries.

1. In some countries, such as Switzerland, a bank account may be kept by number rather than by name, and heavy penalties face the banker who violates the secrecy rule and discloses the identity of the owner of the account. Transfers from a numbered account in one country to a numbered account in another country are extremely confusing, especially in view of the fact that the persons who are listed as the owners of the numbered accounts may themselves be only cloaks for others.

2. Germans have also achieved foreign haven for flight capital by preventing the normal repatriation of German foreign earnings. For example, the Deutsche Bank and Deutsche Orient Bank (Dresdner Bank) branches located in Istanbul, Turkey, followed the policy of accumulating in Turkey rather than transmitting to their parent company in Germany their annual profits during their last 8 years of operation.

3. Another device for achieving the same result was that of building up credits for Germans in neutral countries by deferring the payment for German exports. We have reports that Germans have dumped goods in neutral countries, granting very liberal credit terms. Lest this be too obvious, a two-price system was used, whereby lower fictitious prices would be paid through the clearing at the time of importation and sale, while the difference between the fake price and the real price would remain a postwar credit in favor of the German shipper.

4. During the war years, German investment in neutral countries showed itself particularly disposed to enter concerns in which there was a substantial increment of neutral capital. It seems fairly obvious that one reason for this was the expectation that in case of German disaster the neutral governments would be more reluctant to take measures against such concerns than against those in which neutral interests were less involved.

5. German liquid balances in neutral countries, particularly the earnings of Germans located in those countries, were frequently invested in income-producing real estate. This, again, is symptomatic, for neutral reluctance to interfere with existing title to land at the instance of foreign states is based on inferences from the concept of sovereignty itself. Moreover, land cannot easily be frozen in a blocked account.

6. Finally, a very simple evasive tactic, time-tested by the last war, rests upon the short memory of man and his soon tiring of controlling Germany and Germans. The scheme was simply to dispose of property by a written instrument, absolute on its face, but delivered on a secret, oral understanding that it would become void in 5 years or so. Our re-

Trade-Mark Applications

Colombia.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within about 5 weeks from the date of first printing:

Trade-mark	Class No. and product	Date of first printing
		1945
Panalcio	22—Covering foodstuffs	June 21
Oynaron	2—Covering substances used in medicine, pharmacy, veterinary hygiene, perfumery, and toiletries.	Do.
Bismuthion	do	Do.
Neo-Asma	do	Do.
Victoria	do	Do.
Gastrosal	2—Covering drugs in general, perfumery, and toiletries.	Do.
Egastryl de Hayen.	2—Covering drugs in general, perfumery, and toiletries.	Do.

Guatemala.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within 40 days from the date of first publication:

Trade-mark	Class No. and product	Date of first printing
		1945
Esso Standard Oil S. A.	12—Asphalts, building materials, etc.	June 28
Glostora	16—Paints and painters' materials.	July 2
Sonrisal	6—Chemical, medicinal, and pharmaceutical preparations.	Do.
Hellaman	do	Do.
Kismet	do	Do.
Avoset	46—Foodstuffs	July 3
Pacayal	1—Coffee	Do.
Fenestra	12—Metal window shades	Do.
Gilbey's	48—Alcoholic beverages	Do.
Gilbey's	48—Wines and alcoholic beverages.	Do.
Spey Royal	49—Whisky	Do.
Old Tom	49—Gin	July 5

Argentina.—Notice of applications for registration of the following trade-marks was published in the Boletin Oficial of July 3, 1945. Opposition must be filed before August 6, 1945:

Trade-mark	*Class No. and product*
Duplex	18—Entire class.
Ivory	16—Entire class.
Komet	5—Entire class.

Argentina.—Notice of applications for registration of the following trade-marks was published in the Boletin Oficial of June 26, 1945. Opposition must be filed before July 30, 1945:

Trade-mark	*Class No. and product*
Planeta	10—Entire class.
Hardie	16—Entire class.
F B L	18—Entire class.
Berg	5—Entire class.

Chile.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial of July 2, 1945. Opposition must be filed within 30 days from date of publication:

Trade-mark	*Class No. and product*
Minervit	75—Drugs and pharmaceutical products.
Astmalisan	Do.
Artritol	Do.
Ginosanin	Do.
Spasmacolin	Do.
Solusulf	Do.
Exacid	Do.
Folisint	Do.
Levubrom	Do.
Vioabrom	Do.
Vibrocal	Do.
Alvimin	Do.
Alminvit	Do.
Alevit	Do.
Soladenal	Do.
Beplex	Do.
C. G. Nicholls	Do.
Diaseptil	Do.
Reutter Ltda	Do.
Paralymphine	Do.
Muthanol	Do.
Coriogonin	Do.
Estrolin	Do.
Betolake	Do.
Licuron	Do.
Libilake	Do.
Laxa-Seltzer	Do.
Normoclotin	
Quimio Bras	Do.
Quinicardine	Do.
Solubaine	Do.
Quabaine Arnaud	Do.
Cerebrine	Do.
Caprokol	Do.
Mucol	Do.
Tri-Lactan	Do.
Quemadolina	Do.
Novosorb	Do.
Bactracyt	Do.
Bactracin	Do.
Tatricyn	Do.
Tirotrin	Do.
Tricinol	Do.
Bactricin	Do.
Corticol	Do.
Mecanica Popular	82—Periodical publications.
Un Minuto	
E N A Ediciones	Do.
Nueva America	Do.
Meridiano	Do.
Caballo de Fuego	Do.

ports indicate that the Germans as a general rule thought that 5 years was enough time for this purpose.

Concrete Instances

A few concrete cases will illustrate the devices which the Germans have used. In a certain neutral country, the German electrical company, Telefunken, bought a plant in the summer of 1943. The plant was immediately modernized and enlarged. It now has complete facilities for testing the most intricate short-wave radio equipment, and magnificently equipped laboratories for research in the ultra-short-wave and tone-frequency field. As late as April of this year negotiations were in progress for the importation of skilled German technicians to work in this plant.

In another neutral country, the government was eager to encourage the growth of manufacturing in the national economy. A semiofficial German organization presented a proposal to the government of this neutral country for the equipment and establishment of a technical school system. A representative of an Allied government has seen the five-volume dossier containing the German offers. The Germans proposed to supply a very large quantity of machinery and equipment for purposes of production, research, and teaching. In addition, they proposed to construct a fully equipped plant for the production of machine tools.

The acceptance of this offer by the neutral government would have necessitated the employment of a large number of German teachers and technicians. The offer certainly did not arise out of simple commercial motives, for the Germans were willing to guarantee delivery within 3 months at the very time when German war industry was losing the battle of production. It seems clear that the plan was intended to establish a nucleus of German personnel and equipment beyond the reach of the Allies.

Aircraft-repair establishments in the same neutral country ordered certain specialized machines from German suppliers in 1941. They were unable to obtain delivery until late in 1943, at which time they received, not the amount of equipment that they ordered, but five times as much. Much of this machinery, adaptable to the large-scale manufacture of aircraft, rests today in this neutral country, still uncrated.

Germans in foreign countries, who have now been cut off from their connections with German industry, may be expected to attempt to turn to United Nations trade as a means of preserving their position. They did this after the last war, and they have had some experience along these lines in this war.

In one neutral country, Germans actually managed to derive large profits from the popularity and strong drawing power of American motion pictures. Their scheme was ingenious, and too long for recital here. They managed to conceal their dealings from the American producers through a series of cloaks, and managed to get control of the exhibition rights of American films. The arrangement was broken up by a vigilant American diplomatic mission, which used its control over the importation and distribution of American raw film stock to forestall the dubbing and copying of films whose exhibition rights the Germans had secured.

Trade Lists

The Commercial Intelligence Unit has recently compiled the following trade lists of which mimeographed copies may be obtained by American firms from the Bureau of Foreign and Domestic Commerce. The price is $1 a list for each country.

Automotive Equipment, Importers and Dealers—Greece, Nicaragua, El Salvador, Department Stores—Ecuador, Peru.

Put World on Notice

The United Nations have been alive to German safehaven efforts throughout the war. As early as January 1943, we put the world on notice that we would not recognize the validity of property transfers in enemy-occupied Europe based upon Axis acts of spoliation. This declaration was subsequently broadened in the Gold Declaration of February 1944, and in resolutions of the Bretton Woods Conference and the Mexico City Conference.

As the German position deteriorated, it became possible to bring greater pressure to bear on neutral countries. Our safehaven objectives were linked with our supply-purchase negotiations with neutral countries.

In a model note addressed to a neutral country regarding our safehaven objectives, the neutral governments were called upon, in general, to subscribe to the principles of the declarations and resolutions mentioned heretofore, and were requested to take the following implementing measures: (1) to freeze all German assets; (2) to investigate transactions since 1939 between persons subject to the laws of the particular country and persons in Axis or Axis-controlled territory; (3) to make the results of these investigations available to the United States Government; (4) to conduct a census to determine the extent of German ownership of assets located in the neutral country; and (5) to provide the United States with full information regarding persons of Axis nationality who entered the neutral country since 1939 and who are still there.

Results Achieved

So far our negotiations with the neutrals have resulted in the enactment of a Swiss law providing for the blocking of German accounts and a census of German property; in the issuance of a Spanish decree providing, among other things, for a general freezing control over the assets in Spain of the nationals of Axis or Axis-dominated countries; and in the enactment of a Portuguese decree similar to the Spanish but applicable only to German nationals. We are informed by our Legation in Stockholm that negotiations with Sweden are proceeding satisfactorily.

With German assets now frozen in the European neutral countries and Allied investigating teams scouring Germany for evidence of the German side of safehaven transactions, it is expected that rapid and substantial progress will be made in isolating Germans from the economic power they have sought to maintain through illegal movements in neutral countries.

A great deal, however, remains to be done. The Foreign Service abroad, and the Department of State and other interested agencies in Washington, will continue their efforts to obtain information outside of Germany regarding the nature and extent of German holdings, to press for neutral controls which will immobilize German interests without prejudicing their ultimate disposition, and to formulate and study the principles which should govern the final settlement, to the end of assuring that Germany may never again be able to mobilize external assets for aggressive purposes.

Cartel Policy

Turning now to the question of German participation in international cartels: The development of an effective policy on *this* question requires parallel action with respect to German domestic cartels and combines, international combines in which German nationals have an interest, and the treatment of German technological information.

Our policy toward German participation in international cartels is governed by two considerations. The first arises from our general opposition to cartels as devices for the regulation of world trade. The second follows from our knowledge of the special uses to which Germany has put the international cartel system.

Testimony previously presented to Congressional committees has shown that the prewar cartel system was used by Germany as an instrument of political and economic aggression. In our view the disarmament of Germany and the promotion of effective measures to prevent future military aggression by Germany requires that German participation in international cartels be promptly and effectively terminated, and that any future attempts to establish such relationships be prevented.

To put this policy into effect, we are proposing immediate action along several lines.

First, we propose to terminate German participation in all cartel contracts which fall within certain broadly defined classes. *Secondly*, we plan to require the registration of all international cartel agreements in effect in Germany at any time and for any period after January 1, 1933. *Thirdly*, we intend to press for the establishment of a system under which all international business communications to and from

Germany would come under Military Government surveillance.

The failure to adopt such precautions would not only jeopardize the success of our security policy, but would also enable German firms to effect concealed transfers of foreign property to cartel partners or affiliated interests abroad in order to frustrate seizure.

It is a common observation that one country's domination of an international cartel is facilitated when all of the producers within that country act in unison. Such united action may be, and usually is, a consequence of the rigid cartelization of the domestic economy, or of the ownership by combines of all or predominant parts of the production facilities of major industries.

Consequently, the internal unification of the German economy will always entail the threat that German economic strength may be wielded as a weapon of coercive power in international markets. Moreover, the concentration of business control in Germany would preserve the great economic and political power which rests in the hands of those same industrialists who financed Hitler and supported him until it became clear that he had lost his great gamble.

These considerations have led us to the conclusion that German domestic cartels, and other related German associations which have the character of cartels, such as Economic Groups, should be dissolved by the Military Government authorities.

Domestic German Angles

As already suggested, Germany's position in international cartels, and the organization of the country's domestic economy through cartels and cartel-like organizations is closely related to the existence within Germany of large business aggregates such as combines, communities of interest, and trusts. It would be unrealistic for us to advance a policy calling for a prohibition on German participation in international cartels, and dissolution of German domestic cartels, unless we were also prepared to deal with these other forms of business centralization. This problem is receiving our serious attention, to the end that decisive action may be taken to eliminate the dangers of German corporate combination.

Although this aspect of the problem has been inadequately publicized, it has seemed to many of us that Germany's successful penetration of foreign economic systems has been achieved through the control of international corporate combines as often as through participation in international cartels. It is our view that continued German participation in such combines involves the same dangers to future security as does German participation in international cartels, and we take the view that equally firm defensive action is necessary in this field.

Steps Toward Dissolution

The first steps toward the dissolution of German international combines have already been taken. The various nations at war with Germany have vested or reduced to their control German interests in properties within their jurisdiction. Furthermore, we have reason to anticipate that properties in which German nationals have an interest and which are located in countries not at war with Germany will be claimed by the appropriate Allied powers either in the name of the Allied Control Council or the Allied Reparations Commission.

Thus, the financial and corporate interests of German nationals located outside of Germany either have been seized or will be subject to seizure.

Science and Research

I should like now to turn to certain questions related to German technological information and scientific research. If we are prepared to acknowledge that German research and scientific development have been important in the past, we must also be prepared to draw the obvious conclusion that the exclusive possession or control of certain kinds of advanced technology by German nationals involves a possible danger to our security and provides German nationals with important assets which in the past have induced other parties to join them in international cartel arrangements.

Our intentions with respect to German research and scientific information may be summarized as follows:

1. We intend to secure the full disclosure of all existing German technology and invention for the benefit of the United Nations.

2. Through seizure by the governments of the United Nations of German-owned patent rights on inventions developed before and during the war, we shall be able to withhold from German nationals the usual technological assets which have proved to be the main inducements for other parties to join the Germans in international cartel arrangements.

3. We intend to allow organized research and invention in Germany during the period of military occupation *only* when we are fully satisfied that such research will not contribute to Germany's future war potential.

The foregoing discussion summarizes our view of the problems raised by German cartels, combines, and technology, and indicates in broad terms the action which we are taking and which we propose to take. We are, I believe, alive to the importance of these questions as they affect our national defense—and the protective measures to which we are committed have an important place in our broader program to checkmate German plans for a rebirth of German economic and military power.

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

Washington 25

JUNE 26, 1945.

Circular Letter No. FT 16

To: Collectors of Customs, Exporters, and Others Concerned.

Subject: Reporting In-Transit Shipments.

Effective July 1, 1945, Collectors of Customs will require that Schedule L, "Statistical Classification of Foreign Merchandise Reported in the In-Transit Trade of the United States," be used in place of Schedule B, "Statistical Classification of Domestic and Foreign Commodities Exported from the United States," to report all shipments of merchandise for which either the "Shipper's Export Declaration for In-Transit Goods" (Commerce Form 7513) or the "Defense Aid Shipper's Export Declaration for In-Transit Goods" (Commerce Form 7513–DA) must be prepared.

Section 30.37 of the Foreign Commerce Statistical Regulations is being amended to provide for the use of Schedule L.

J. EDWARD ELY, *Chief,*
Foreign Trade Division,
Bureau of the Census.

Need For Modern Laundry in Lima, Peru

A number of factors indicate that Lima, Peru, would be a good location for the establishment of a small efficient steam laundry. New apartment houses are being constructed, the servant problem is acute, and the prices of existing laundry services are relatively high. To succeed, a modern steam laundry would have to give sanitary, efficient service inexpensively, the maintenance of 24-hour delivery being almost essential. Mechanical drying of clothes would be necessary, especially in the winter.

Desirable features would be facilities for thorough sterilization, for cleaning rugs and carpets, and for mothproofing and storing winter clothing and furs; and a service for mending, "spotting," and pressing clothes, emphasis being placed upon prompt delivery and expert work.

Most of the larger hotels and hospitals maintain their own laundry services. Prior to the war in the Pacific, a substantial volume of such business was handled by Japanese-owned neighborhood laundries; a number now are scattered through the metropolitan area of Lima to serve distinct localities. Most of these establishments do handwork; two are reported to have fairly modern equipment and delivery service. Prices are relatively high, and the quality of work is not always up to standard.

In the case of most foreigners and many Peruvians, laundry work is done in the home. This work includes not only laundering table and bed linen and blankets but also dry-cleaning clothes.

The 1944 crop of gum tragacanth in Turkey amounted to 300 tons. Large stocks are reported to be on hand.

News by COUNTRIES

(Continued from p. 29)

Uruguay

Tariffs and Trade Controls

Potatoes: Temporary Duty-Free Importation Authorized.—Potatoes for consumption were authorized importation into Uruguay until September 30, 1945, free from all custom duties and surtaxes, as well as from port charges, according to a decree dated June 28, 1945, published in the Diario Oficial of July 2, 1945.

This measure was taken to alleviate the present short supply of potatoes in Uruguay.

Chemical and Galenic Products Listed in United States Pharmacopoeia: Permitted Importation.—Chemical and galenic products that are in accordance with the United States Pharmacopoeia will be permitted importation into Uruguay indefinitely since the 1945 pharmacopoeia has been declared permanently in force in that country, according to a decree dated June 28, 1945.

Formerly these products were allowed importation only on a provisional basis.

[For the provisional approval of the United States Pharmacopoeia, see FOREIGN COMMERCE WEEKLY of October 26, 1940.]

Venezuela

Tariffs and Trade Controls

Fishing Nets: Import Duty Reduced and Classification Modified.—The Venezuelan import duty on fishing nets was reduced from 8 bolivares to 0.20 bolivar per kilogram by a resolution published in the Official Gazette and effective on March 26, 1945. By the same resolution a new subitem G was established under item 102 of the tariff schedule, under which this commodity is now classified. Fishing nets were formerly classified as manufacturers of cotton not specified.

Mercury Oxycyanide: Import Duty Increased and Classification Modified.—The specific classification of mercury oxycyanide, in powder, under item 438 of the Venezuelan tariff schedule, was suppressed and the product reclassified under item 378–N, according to a resolution published in the Official Gazette and effective on March 26, 1945. It will now be subject to the nominal import duty of 0.001 bolivar per gross kilogram. Oxycyanide of mercury in tablets will still be classified under item 438, free of duty.

[For announcement of reductions of import duties on various industrial chemicals, see FOREIGN COMMERCE WEEKLY, April 7, 1945.]

Transport and Communication

Developments in Air-Line Services.—Aerovías Venezolanas, S. A. (AVENSA) carried 160,323 kilograms of cargo and 1,924 passengers during the first quarter of 1945. The amount of cargo was 400 percent more than in the corresponding period of 1944. No passengers were carried in the first quarter of 1944. These figures cover only AVENSA's scheduled flights, however, and it is estimated that an additional 28 and 20 percent, respectively, were carried by charter operations, thus bringing the total freight carried in the first 3 months of 1945 to 205,000 kilograms (41,000 kilograms in the first quarter of 1944) and the total number of passengers carried to 2,310 on all flights, including the charter operations for oil companies.

The Government-owned air line, Línea Aeropostal Venezolana (LAV), increased its passenger and express operations over those of 1944 by 33 percent and 10 percent, respectively. Approximately 206,000 kilograms of express, exclusive of baggage and newspapers, and 9,356 passengers were carried. A revised schedule of flights, calling for a slight increase in route miles, a new service to Elorza, State of Apure, and providing more convenient service on some of the most important routes, was placed into effect February 26, and on March 9 a new schedule of tariffs, reducing numerous fares, became effective. In March, also, it was announced that as soon as an adequate airport could be constructed at the border point of Santa Elena, international service with Brazil would be established.

The Línea Aérea TACA de Venezuela, a local affiliate of TACA Airways, which began commercial operations on January 9 carried approximately 12,000 kilograms of freight and 650 passengers up to March 31, 1945.

The international air lines serving Venezuela revised their schedules effective March 9 (PAA) and March 6 (KLM), the latter increasing the number of round-trip flights between Maiquetia and Curacao from five to six per week with certain changes in the hours and days of flights. KLM also obtained approval for a number of services not at present given. The changes of Pan American Airways involved night flights from Miami to Maiquetia and several hours of night flying north-bound, which offer travelers more convenient hours and make connections at Miami easier for passengers proceeding beyond that point.

Rural Road-Building Program.—The rural road-building program of Venezuela, established by a resolution of November 12, 1944, is well advanced. Government financial assistance has been granted in connection with 31 projects, totaling 373,994 bolivares, and approval of 53 additional projects, which will require government aid to the extent of 412,729 bolivares, was reported late in May to be an early prospect. Of the original fund of 1,000,000 bolivares, 213,277 bolivares remain to be apportioned among further projects.

Projects approved are in the following States: 14 in Tachira; 6 in Miranda; 4 each in Sucre and Yaracuy; and 1 each in Bolivar and Carabobo. One is in the Territory of Amazonas. Of the 53 nearing approval, 26 are situated in the State of Sucre; 12 in Falcon; 10 in Tachira; 2 in Miranda; and 1 each in Bolivar, Carabobo, and Lara.

Although the improvement of transportation is a basic need in Venezuela, especially in the rural areas, less than one-half of the States are represented in the projects enumerated above. The probable explanation is that publicity pertaining to the program has not yet reached many interior points. Response to the program is growing, however, and officials of the Ministry of Agriculture and Husbandry anticipate more applications. The budget for 1945–46 appropriates an additional 800,000 bolivares for the program.

Only about one-half of the projects approved and pending include roads for vehicles. The remainder are for the construction of trails for pack animals which rural dwellers use for moving their products to road or railheads, and river or ocean ports. Because of the nature of the roads being built, domestic materials are used almost entirely.

An example of the type of roads being constructed under this program is the 16-kilometer trail between the villages of Yavita (near the headwaters of the Temi River, a tributary of the Orinoco) and Pimichin (on a tributary of the Negro River). When completed this trail will reduce by 8 days the mail and transit time between San Fernando de Atabapo and settlements on the Negro River. The alternative route would be via the Casiquiaro Canal, the natural waterway linking the Orinoco and the Negro.

British Experimental Workshop

The Zinc Development Association (Great Britain) has established an experimental workshop at Oxford, according to the British press. This shop, fitted with the most modern equipment, is designed to assist architects and builders in constructing practical models of their designs and to provide them with the necessary facilities for experimenting with new ideas before completing details of the finished job.

New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of interest to businessmen appearing in the Department of State Bulletin, July 8, 1945:

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for the price of 10 cents each; subscription price, $3.50 a year. The July 8 issue contains these articles:

APPOINTMENT OF JAMES F. BYRNES AS SECRETARY OF STATE.

TRANSMITTAL OF CHARTER OF THE UNITED NATIONS TO THE SENATE. Message from the President.

ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH THE POLISH PROVISIONAL GOVERNMENT OF NATIONAL UNITY.

DISCUSSION OF TRENDS IN AMERICAN FOREIGN POLICY.

INTER-AMERICAN CONFERENCE ON AGRICULTURE.

AGRICULTURAL PLANNING FOR PEACE AND FUTURE PROSPERITY.

ROSENMAN MISSION. By Livingston T. Merchant.

OPERATIONS OF UNRRA. Third quarterly report.

RESTORATION OF PARCEL-POST SERVICE TO LIBERATED AREAS.

LIMITATION OF PRODUCTION OF OPIUM. Exchange of notes between Governments of the United States and Turkey.

INCREASE OF MEMBERSHIPS OF THE ANGLO-AMERICAN CARIBBEAN COMMISSION.

MARINE TRANSPORTATION AND LITIGATION: NORWAY.

MILITARY SERVICE: Chile, Ecuador, Peru, Venezuela.

MERCHANT-SHIPPING AGREEMENT: Brazil, Sweden.

The July 15 issue of the Department of State Bulletin contains these articles:

SUMMARY OF REPORT ON THE RESULTS OF THE SAN FRANCISCO CONFERENCE.

SUGAR SHIPMENTS TO SPAIN.

INTER-AMERICAN RELATIONS AFTER WORLD WAR II. By George H. Butler.

POLICY TOWARD NEW GOVERNMENT IN ITALY.

Other Publications

HANDBOOK OF LATIN AMERICAN POPULATION DATA. Office of Inter-American Affairs. 1945. 58 pp. Data on the population of the other American Republics by major civil divisions and by cities of 5,000 or more inhabitants.

Available gratis from: Office of Inter-American Affairs, Materials Section, 1201 Walker Building, Washington 25, D. C.

INDUSTRIAL LABOR IN BRAZIL. Albert H. Berman. 1944. 52 pp. A pamphlet giving information on industrial labor in Brazil.

Available gratis from: Office of Inter-American Affairs, Materials Section, 1201 Walker Building, Washington 25, D. C.

BRETTON WOODS: CLUES TO A MONETARY MYSTERY. Carlyle Morgan. 1945. 143 pp. Price, 25 cents (paper), 50 cents (cloth). A pamphlet discussing the Bretton Woods proposals and the major issues involved.

Available from: World Peace Foundation, 40 Mt. Vernon Street, Boston, Mass.

Correction

In the June 16 issue of FOREIGN COMMERCE WEEKLY, beginning on page 16, under the country-heading "Canada" there was published an item entitled "Alternative Types of Certificate Acceptable for Dogs Entering From the United States."

The American Embassy at Ottawa now informs this magazine that, through an inadvertence in Canada, the last phrase of the second paragraph of the item was incomplete, a highly important element having been omitted. That last phrase should read: "that so far as can be ascertained it [the dog] has not been exposed to the infection of rabies *and that it has been vaccinated against rabies* within a period of 6 months of the date of shipment."

The italicized provision is the section that was previously omitted inadvertently.

Foreign Commerce Statistical Decision

(F. C. S. D. 57)

TITLE 15—COMMERCE

SUBTITLE B—Regulations Relating to Commerce

CHAPTER 1—*Bureau of the Census, Department of Commerce*

PART 30—FOREIGN TRADE STATISTICS

Section 30.46 is amended to read as follows:

Section 30.46—*Shipments of furniture, supplies, equipment owned by Government offices and employees.* No export declarations are required for shipments of office furniture, equipment and supplies, household goods and personal property to United States offices or employees in foreign countries or noncontiguous territories for their exclusive use, or for shipments of books, maps, charts, and pamphlets made by United States Government offices to foreign libraries or Government establishments or for shipment of military and naval supplies and equipment for the use of United States military and naval forces abroad. (R. S. 161, Sec. 4, 32 Stat. 826; 5 U. S. C. 22, 601)

H. A. WALLACE,
Secretary of Commerce.

(F. R. Doc. 45-9974; Filed, June 8, 1945; 12:00 m.)

Contributors' Column

Robert M. Brandin ("Spain's Electronic Needs").—Born New York, N. Y. Princeton, B. A., 1940. Ticket agent for air line 1940–41. Appointed foreign service officer, unclassified, vice consul of career, and secretary in the diplomatic service February 20, 1942; vice consul at Madrid October 30, 1942; also third secretary at Madrid February 20, 1943.

Lew B. Clark ("Mexico in 1944").—Born Lynn, Mass. Clerk to commercial attaché in Lima 1915–16; special agent in Argentina 1916, 1918–20, and clerk to commercial attaché at Buenos Aires 1917; with international travel and banking agency 1920–24; trade commissioner in Uruguay 1924–27; Chief American Republics Division, Department of Commerce, 1939–41; appointed senior economic analyst at Mexico City August 9, 1941.

Virginia Kinnard ("Seaweed in Industry").—Born in Washington, D. C. George Washington University, A. B., A. M.; majored in Romance Languages. Has been in the Bureau of Foreign and Domestic Commerce for a number of years, formerly in the Division of Foreign Tariffs and the Far Eastern Unit. Since March 1942 business specialist in the Industrial Projects Unit.

Margaret E. Wambsganss ("Chile's Hemp Production").—Born Chicago, Ill.; educated in Buffalo, N. Y., and at George Washington University, Washington, D. C. Engaged in general business practice in Buffalo for a number of years, experience including chemical and metallurgical engineering and transportation. Entered Federal service in March 1937, being attached for 5 years to Administrative Staff, Railroad Retirement Board. With Bureau of Foreign and Domestic Commerce since March 1942 as business assistant, Industrial Projects Unit. Member National League of American Pen Women.

The Turkish Government has recently inaugurated an extensive program of raising sunken ships and materials in various Turkish ports.

U. S. Export Control and Related Announcements

(Developments communicated to the Trade Controls Unit up to Monday, July 23, 1945)

The Foreign Economic Administration has issued the following Current Export Bulletin:

No. 638—*Current Export Bulletin No. 261, July 20, 1945.*

SUBJECT: General License Established for Certain Commodities to Middle East Destinations

A. Effective immediately, the Foreign Economic Administration announces the extension of general license provisions to Country Group M destinations for the commodities listed in part C, "Changes in General License." Individual export license applications need no longer be filed for proposed shipments of these commodities to the Middle East destinations; in making shipments, it shall only be necessary for the exporter to indicate the general license symbol G plus the appropriate country number on the export declarations.

GROUP M DESTINATIONS

	Country No.
Aden and Aden Protectorate (including Kamaran Island, Perim Island, and Sokotra Island)	25
Anglo-Egyptian Sudan	60
British Somaliland	111
Cyprus	37
Egypt	59
Eritrea	112
Ethiopia	113
French Somaliland	114
Iran	80
Iraq	74
Khorya-Morya Island	25
Libya (including Cyrenaica and Tripolitania)	117
Palestine	51
Saudi Arabia	81
Syria and Lebanon	78
Trans-Jordan	51
Yemen	120

B. Exporters should note that cargo space for general license shipments to the Middle East destinations may be curtailed because of the current shipping situation.

C. Changes in General Licenses:
(G-POST dollar values for the Middle East destinations for commodities other than those listed below remain as shown in Comprehensive Export Schedule No. 18 and subsequent Current Export Bulletins.)

Schedule B No.	Commodity	General license country group	
		Old	New
	ANIMALS, EDIBLE: (For animals, inedible—horses, mules, asses, burros, goats, and other—see 090000-090900.)		
001000	Cattle for breeding	K	K & M
001300	Hogs (swine)	K	K & M
001600	Sheep (include Karakul sheep).	K	K & M
001900	Poultry, live	K	K & M
009200	Eggs, hatching	K	K & M
009400	Meat extracts and bouillon cubes.	K	K & M
009900	Lecithin	K	K & M
	FURS AND MANUFACTURES:		
	Furs, undressed:		
071100	Civet cat	K	K & M
071300	Silver and black fox	K	K & M
071400	Red fox	K	K & M
071600	Other fox	K	K & M
071800	Muskrat, northern	K	K & M
071900	Muskrat, southern	K	K & M
072100	Raccoon	K	K & M
072200	Skunk	K	K & M
072300	Opossum	K	K & M
072500	Mink	K	K & M
072901	Coney, rabbit and hare	K	K & M
072903	Ermine and weasel	K	K & M
072905	Fitch and kolinsky	K	K & M
072907	Squirrel	K	K & M
072908	Lamb, kid, sheep, and goat	K	K & M
072998	Undressed furs, n. e. s. (specify kind).	K	K & M
	Furs, dressed or dyed:		
073300	Fox, silver and black	K	K & M
073700	Muskrat	K	K & M
074400	Fur-seal (report hair and rock seals in 074998).	K	K & M
074903	Lamb and sheep (include tanned sheepskins with wool on).	K	K & M
074998	Dressed or dyed furs, n. e. s. (include fox, other than silver or black, oppossum, hair and rock seals; specify by name).	K	K & M
075300	Fur wearing apparel (report fur-felt hats in 395100-395200).	K	K & M
075800	Fur waste, fur pieces and damaged fur skins (include paws, tails, and seconds).	K	K & M
075900	Fur manufactures, n. e. s. (include plates, collars, and cuffs; specify by name).	K	K & M
	OTHER INEDIBLE ANIMALS AND ANIMAL PRODUCTS:		
	Animals:		
090000	Horses for breeding	K	K & M
090100	Horses, other	K	K & M
090300	Mules, asses, and burros	K	K & M
090900	Live animals, n. e. s. (include goats and fur-bearing animals):	K	K & M
090900	Pigeons, live	None	None
090900	Other live animals	K	K & M
	Glue of animal origin:		
094205	Casein glue	K	K & M
094298	Other	K	K & M
099923	Mother-of-pearl shells, unmanufactured.	K	K & M
099925	Other shells, unmanufactured	K	K & M
099998	Animal products, inedible, n. e. s. (include gelatin for photographic use) (report egg albumen in 009303 and sponges in 204200 and 982100):		
099998	Beeswax	None	None
099998	Bones	K	K
099998	Blood dried, soluble, for commercial use	None	None
099998	Catgut, crude	K	K & M
099998	Fish essence and fish for bait.	None	None
099998	Ovarian glands	None	None
099998	Pituitary glands	None	None
099998	Spermaceti, wax, USP	None	None
099998	Other animal products, inedible, n. e. s.	K	K & M
	Grains and preparations:		
107700	Macaroni and macaroni products (include canned).	K	K & M
108000	Wheat cereal foods, ready to eat (include shredded, puffed, and flaked wheat, Grape Nuts, Triscuit, Force, Krumbles, Wheaties, Kellogg's Pep, and other wheat and bran preparations).	K	K & M
108100	Wheat cereal foods, to be cooked (include Cream of Wheat, Farina, Wheatena, Ralston, Pettijohns, Wheat Hearts, etc.).	K	K & M
109000	Wheat semolina	K	K & M
109500	Cereal foods, n. e. s. (include bread and cakes, puffed and creamed rice, Malto-Meal, Roman Meal, hardtack, and rusk).	K	K & M
109900	Other grains and preparations (include dog biscuit, wild rice, popped corn (buttered, cheese, or plain), pearl barley, wheat-germ flour and all flours, n. e. s.) (report wheat flour in 107300-107400 and corn flour in 281100).	K	K & M
	FODDERS AND FEEDS, N. E. S.:		
110100	Hay (report straw in 299998)	K	K & M
118200	Oyster shells	K	K & M
	VEGETABLES AND PREPARATIONS, EDIBLE:		
	Vegetables, fresh or frozen:		
120700	Beans (include snap beans)	K	K & M
120900	Peas, green	K	K & M
121000	Peppers	K	K & M
121300	Tomatoes	K	K & M
122410	Cabbage	K	K & M
122420	Carrots	K	K & M
122430	Celery	K	K & M
122440	Lettuce	K	K & M
122450	Spinach	K	K & M
122470	Sweetpotatoes	K	K & M
122490	Fresh of frozen vegetables, n. e. s.:		
122490	Pumpkins, fresh	None	None
122490	Rhubarb, fresh	None	None
122490	Other fresh or frozen vegetables, n. e. s.	K	K & M
125210	Mayonnaise and salad dressings.	K	K & M
125298	Sauces and relishes, n. e. s. (include mustard sauces).	K	K & M
125901	Dehydrated soups	K & V	K, V & M
125905	Farinaceous substances:		
125905	Sago	None	None
125905	Tapioca flour, inedible	None	None
125905	Tapioca, other	None	None
125905	Other farinaceous substances.	K	K & M
	FRUITS AND PREPARATIONS:		
	Fruits, fresh or frozen:		
130200	Grapefruit (weight 60 pounds per box, California; 80 pounds per box, Florida).	K	K & M
130300	Lemons and limes (lemons, approximate weight 76 pounds per box; limes, 80 pounds per box).	K	K & M
130500	Oranges and tangerines (oranges, approximate weight 70 pounds per box, California; 90 pounds per box, Florida; tangerines, 60 pounds per box).	K	K & M
131000	Apples in baskets (approximate weight 48 pounds per basket).	K	K & M
131100	Apples in boxes (approximate weight 48 pounds per box).		
131200	Apples in barrels (weight 144 pounds).	K	K & M
131600	Pears	K	K & M
	TABLE BEVERAGE MATERIALS:		
151300	Table beverage materials, n. e. s.:		
151300	Coffee extracts	K	K
151300	Coffee substitutes	K	K & M
151300	Other table beverages	K	K & M
	SPICES (include natural and imitation):		
154901	Capsicum (ground or unground).	K	K & M

Schedule B No.	Commodity	General license country group	
		Old	New
	TABLE BEVERAGE MATERIALS—Continued		
154998	Spices, n. e. s. (report mustard sauces in 125298):	K	K & M
154998	Black pepper, ground	None	None
154998	Cloves, cracked or ground	None	None
154998	Cumin seeds	None	None
154998	Ginger, root, ground, or powdered.	None	None
154998	Mace	None	None
154998	Nutmegs, ground	None	None
154998	Tonka beans, ground or unground.	None	None
154998	West India nutmegs, ground.	None	None
154998	White pepper, ground	None	None
154998	Other spices, n. e. s.	K	K & M
	BEVERAGES:		
	Distilled spirits:		
171400	Rum	K	K & M
171900	Other distilled liquors and compounds containing spirits (include brandy, gin, cordials, liqueurs and bitters) (report alcohols in 831000-831598).	K	K & M
175000	Wines	K	K & M
176100	Mineral waters, natural and artificial.	K	K & M
178000	Beverages, n. e. s. (include soda water, ginger ale, sparkling water, quinine tonic and other beverages) (report concentrated beverage sirups in 176600).	K	K & M
	NAVAL STORES, GUMS AND RESINS:		
	Naval stores:		
211400	Gum spirits of turpentine	K	K & M
211510	Wood turpentine	K	K & M
211610	Other terpene hydrocarbons derived from naval stores:		
211610	Dipentene	None	None
211610	Pinene	K	K & M
211610	Other terpene hydrocarbons derived from naval stores.	None	None
	Gums and resins, n. e. s.:		
218600	Shellac, bleached and unbleached (report varnish in 844210).	K	K & M
218905	Lac, crude, seed, button, and stick.	K	K & M
218995	Carob bean gum, refined or modified.	K	K & M
	DRUGS, HERBS, LEAVES, AND ROOTS, CRUDE:		
220088	Cube, timbo, or barbasco root, root powder and root extract.	K	K & M
	NURSERY AND GREENHOUSE STOCK:		
253500	Flowers and foliage, cut, fresh, and preserved.	K	K & M
259905	Bulbs, roots, corms, plants and seedlings.	K	K & M
559998	Nursery and greenhouse stock, n. e. s. (include fruit-tree stocks and cuttings).	K	K & M
	MISCELLANEOUS VEGETABLE PRODUCTS, INEDIBLE:		
293100	Broomcorn	K	K & M
293500	Brooms	K	K & M
299905	Japan wax	K	K & M
299993	Vegetable ivory or tagua nuts	K	K & M
299998	Inedible vegetable products, n. e. s. (include straw and cocoa expeller cake, pressed cake, waste and shells, and sulfite lignin liquor):		
299998	Agar agar	None	None
299998	Algin	K	K & M
299998	Cocoa expeller cake or press cake.	None	None
299998	Cottonseed oil pitch and oil waste.	None	None
299998	Hop lupulin or lupulin extract.	None	None
299998	Lignin liquor	K	K & M
299998	Soybean flour, inedible	None	None
299998	Tobacco, unfit for domestic use.	None	None
299998	Vegetable adhesive paste, gum, or vegetable glue products (liquid form) containing 50 percent or more dextrine (report dry vegetable paste, white paste and dry vegetable glue containing 50 percent or more dextrine under 823300).	K	K & M
299998	Other vegetable products, inedible, n. e. s.	K	K & M
	COTTON, UNMANUFACTURED:		
	Raw cotton, except linters:		
300205	Upland, staple length 1⅛" and over (U. S. official standard).	K	K & M
300206	Upland, staple length 1⅛" and over (U. S. official standard) (quantity only).	K	K & M
300301	Upland staple length 1 1/16" up to but not including 1⅛" (U. S. official standard).	K	K & M
300302	Upland, staple length 1 1/16" up to but not including 1⅛" (U. S. official standard) (quantity only).	K	K & M
300305	Upland, staple length under 1 1/16" (U. S. official standard).	K	K & M
300306	Upland, staple length under 1 1/16" (U. S. official standard) (quantity only).	K	K & M
	COTTON MANUFACTURES:		
316000	Braids, ribbons, trimmings, bindings, lacings, tape-labels, and webbing (include tastes and ribbonzine) (report elastic in 398800 and 399000 laces in 318500):		
316000	Harness webbing, cotton, nonelastic, not over 12 inches wide.	None	None
316000	Other braids, ribbons, trimmings, bindings, lacings, tape-labels, and webbing.	K	K & M
316100	Narrow fabrics, n. e. s. (include lamp wicks and wicking and hose not rubberized) (report mounted wicks in 614700).	K	K & M
	VEGETABLE FIBERS AND MANUFACTURES:		
349500	Oakum	K	K & M
	RAYON, NYLON, AND OTHER SYNTHETIC TEXTILES:		
385810	Ribbons (include woven labels).	K	K & M
385850	Braids, fringes, and narrow trimmings, except hat braids.	K	K & M
	MISCELLANEOUS TEXTILE PRODUCTS:		
392800	Neckties, cravats, mufflers, and scarfs, of all fibers:		
392800	Of silk	None	None
392804	Of all other fibers	K	K & M
394010	Hat braids, strips, and sheets, of natural fibers.	K	K & M
394050	Hat braids, strips, and sheets, wholly or partly of synthetic fibers.	K	K & M
	Hats, bonnets, hoods, caps, and berets:		
	Hats and hat bodies of straw, palm leaf, etc. (include visca, cellophane, or other synthetic textiles):		
394200	Harvest	K	K & M
394400	Other, sewed	K	K & M
394500	Other, woven	K	K & M
395100	Men's and boys' fur-felt hats (include fur-felt bodies).	K	K & M
395200	Women's and girls' fur-felt hats (include fur-felt berets, bonnets, hoods, and hat bodies).	K	K & M
395300	Wool-felt hats (include bodies).	K	K & M
	Other hats, caps, and berets:		
395700	Knit and crocheted	K	K & M
395800	Woven fabric	K	K & M
396300	Artificial or ornamental flowers, fruits, vegetables, grasses, grains, leaves, stems, or parts thereof, of all materials (include the foregoing articles manufactured of paper, tinsel, glass, wire, lame, beads, bugles, spangles, as well as textiles).	K	K & M
	WOOD MANUFACTURES:		
423100	Venetian blinds	K	K & M
	Furniture of wood:		
424200	Chairs, chief value wood (report chairs, chief value upholstery, in 424800).	K	K & M
	WOOD MANUFACTURES—Continued		
	Furniture of wood—Con.		
424400	Office furniture and store fixtures, chief value wood.	K	K & M
424700	Other wood furniture, chief value wood.	K	K & M
424800	Wood furniture, chief value upholstery (wood predominating in frame construction).	K	K & M
429850	Woodenware (kitchen and household).	K	K & M
429900	Wood manufactures n. e. s.:		
429900	Advertising and sign boards.	None	None
429900	Balsa manufactures	None	None
429900	Bamboo splits	None	None
429900	Battery separators	None	None
429900	Bearings and bushings	None	None
429900	Birchboards, compressed	None	None
429900	Blanks and blocks	None	None
429900	Built-up wood	None	None
429900	Bulletin boards	None	None
429900	Bungs	None	None
429900	Car strips and bracing except lumber.	None	None
429900	Charging racks	None	None
429900	Fencing (snow and other made-up fencing).	None	None
429900	Fids	None	None
429900	Flagpoles	None	None
429900	Grain doors	None	None
429900	Insulation board, granule surface and structural.	K	K & M
429900	Insulating strips	None	None
429900	Ladder stock	None	None
429900	Liners, shells, hoops and heads, not complete barrels.	None	None
429900	Molds and patterns	None	None
429900	Pegs	None	None
429900	Pipe wood	None	None
429900	Pole brackets	None	None
429900	Presto fireplace logs	K	K & M
429900	Rattan	None	None
429900	Saddle stirrups	None	None
429900	Sawdust	K	K & M
429900	Shelves	None	None
429900	Small dimension stock softwood if not sold by M. b. f.	None	None
429900	Small wood boat parts machined to shape.	None	None
429900	Sucker rods	None	None
429900	Trestles	None	None
429900	Vats and tanks, including staves, except windmill tank staves.	None	None
429900	Wood fiber	K	K & M
429900	Wood flour and shavings	K	K & M
429900	Other wood manufactures, n. e. s.	K	K & M
	CORK AND MANUFACTURES:		
430000	Cork wood or bark, unmanufactured (include cork waste, shavings, and refuse).	K	K & M
430200	Disks, washers, and wafers	K	K & M
430500	Stoppers (include shell corks)	K	K & M
430600	Cork insulation	K	K & M
430700	Manufactures of artificial, composition or compressed cork, n. e. s.	K	K & M
430900	Manufactures of natural cork, n. e. s.	K	K & M
	PAPER, RELATED PRODUCTS AND MANUFACTURES:		
473500	Sheathing and building paper:		
473500	News-lined rocklath paper	None	None
473500	Other sheathing and building paper.	K	K & M
	CLAY AND CLAY PRODUCTS:		
530300	Fire clay	K	K & M
530907	Kaolin (china clay)	K	K & M
530912	Other clays (include Fuller's earth)	K	K & M
	Pottery (include china, porcelain and earthenware):		
533400	Vitreous china bathroom accessories, n. e. s. (including towel and grab bars, clothes hooks, soap receptacles).	K	K & M
	Electrical porcelain:		
533500	For less than 6,600 volts:		
533500	Radio set insulators, receiving and transmitting.	None	None
533500	Other electrical porcelain for less than 6,600 volts.	K	K & M

Schedule B No.	Commodity	General license country group	
		Old	New
	CLAY AND CLAY PRODUCTS—Continued		
	Pottery—Continued		
533800	Other pottery (include stoneware, clay crucibles and ornamental and decorative articles (vases, lamp bases, etc.).	K	K & M
537900	Other terra-cotta and ceramic manufactures.	K	K & M
	OTHER NONMETALLIC MINERALS, INCLUDING PRECIOUS:		
540998	Diatomaceous and infusorial earth.	K	K & M
	Asbestos:		
545600	Brake lining, molded, and semimolded.	K	K & M
545810	Clutch facing, molded, and semimolded.	K	K & M
545901	Brake bolcks, molded, and semimolded.	K	K & M
545915	Sheets (report sheets for packing in 545550).	K	K & M
545998	Industrial safety clothing	K	K & M
547203	Graphite, Madagascar flake, crystalline lump or chip.	K	K & M
	Carbon or graphite products:		
547300	Electrodes for furnace or electrolytic work 1" and over in diameter.	K	K & M
548098	Carbon or graphite products, n. e. s. (include Aquadag, Oildag, and Gredag) (report pencil lead in 930530):	K	K & M
548098	Electrodes, n. e. s., 1" and over in diameter.	K	K & M
548098	Graphite crucibles, stoppers, retorts.	K	K & M
	Gypsum and manufactures of:		
548300	Crude, crushed or ground	K	K & M
548400	Calcined (plaster of paris) (include anhydrous calcium sulfate).	K	K & M
548500	Plaster board and wallboard.	K	K & M
548700	Other (include Keene's cement and retarder).	K	K & M
549000	Mineral wool	K	K & M
572400	Salt (include cattle, cooking, iodized, rock, table and track) (specify grade).	K	K & M
596010	Cryolite, natural	K	K & M
596098	Flints, gas lighter	K	K & M
596098	Glaze frits	K	K & M
596098	Lithium ore (include all lithium bearing ores and concentrates).	K	K & M
	STEEL-MILL PRODUCTS:		
606705	Cast-iron pressure pipe	K	K & M
606798	Cast-iron pressure pipe fittings.	K	K & M
607798	Iron pipe fittings, n. e. s	K	K & M
609198	Belt lacings and fasteners of wire.	K	K & M
609198	Card clothing	K	K & M
	IRON AND STEEL MANUFACTURES:		
611200	Plastic safety razors	K	K & M
611820	Sewing-machine knives, industrial.	K	K & M
	Metal furniture and fixtures:		
612900	Sheet-metal storage cabinets, medicine cabinets and lockers.	K	K & M
613000	Sheet-metal shelving and wall bins (for factory, store, or library: include counter and showcase units) (report wood bins in 429900 and X-ray film loading bins in 707550):		
613000	Ash, coal or coke bins	None	None
613000	Construction material bins.	None	None
613000	Grain bins, commercial	None	None
613000	Grain bins, farm	None	None
613000	Sheet-metal shelving and other storage bins.	K	K & M
613100	Sheet-metal filing cases with exposed drawers (not insulated).	K	K & M
613250	Sheet-metal filing cases with exposed drawers (insulated).	K	K &M
613350	Fire-resistive safe and vault doors (insulated).	K	K & M
613400	Bank vaults, doors, and interior equipment (include burglary-resistive chests and safes not insulated).	K	K & M
	IRON AND STEEL MANUFACTURES—Con.		
613500	Other office and store furniture, fixtures, and parts.	K	K & M
613700	Other metal furniture and parts, whether or not upholstered.	K	K & M
618450	Furniture casters	K	K & M
618800	Coffee mills, pepper mills, and corn-mill grinders, hand-operated.	K	K & M
618800	Meat grinders and meat choppers, hand-operated.	K	K & M
618800	Rat and mouse traps (wood and wire) and animal snow locks.	K	K & M
618800	Steel drapery hooks, rod rings, pole sets, curtain rods, and tassels.	K	K & M
618800	Sewing-machine needles (include shoe-machine needles):		
618800	Domestic sewing-machine needles.	K	K & M
618800	Industrial sewing-machine needles.	K	K & M
619000	Needles, n. e. s. (include hand-sewing and knitting-machine needles) (report other knitting needles in 984000 and phonograph needles in 923900):		
619000	Hand-sewing needles	None	None
619000	Knitting-machine needles	K	K & M
619000	Other needles	K	K & M
620998	Animal traps, snares, and cages.	K	K & M
620998	Belt fasteners and lacings, steel.	K	K & M
620998	Bottle openers and cappers, household.	K	K & M
620998	Canteens and parts, cash boxes, caskets, ice creepers, money change carriers, name plates, and washboards.	K	K & M
620998	Flatirons, sadirons, and handles, not electric.	K	K & M
260998	Industrial safety equipment, other.	K	K & M
620998	Kitchen and household utensils, n. e. s. (include cake covers, Dutch ovens, frying pans, cast-iron hollow ware, pressure cookers, nested steel ware).	K	K & M
620998	Linemen's steel climbers with leather straps.	K	K & M
620998	Repair parts for scales and balances other than automatic scales and precision and laboratory balances and weights.	K	K & M
620998	Stencils	K	K & M
	FERRO-ALLOYS:		
622095	Ferrocarbon-titanium	K	K & M
622096	Ferrotungsten (report toolbit blanks in 663900).	K	K & M
622098	Ferroboron	K	K & M
	ALUMINUM AND MANUFACTURES:		
629000	Bauxite and other aluminum ores.	K	K & M
629500	Bauxite concentrates, including alumina.	K	K & M
630100	Aluminum scrap	K	K & M
630700	Table, kitchen and hospital utensils.	K	K & M
	BRASS AND BRONZE MANUFACTURES:		
647998	Mattress ventilators	K	K & M
	OTHER NONFERROUS ORES, METALS, AND ALLOYS, EXCEPT PRECIOUS:		
663800	Magnesium metal in primary forms.	K	K & M
664998	Calcium metal	K	K & M
664998	Selenium metal and alloys in primary forms.	K	K & M
669101	Magnesium powder	K	K & M
669105	Magnesium metal in other forms, n. e. s., and magnesium ribbons.	K	K & M
	Metal and metal composition manufactures, n. e. s.:		
669198	Metal signs, other than electric.	K	K & M
669198	Salt tablet dispensers, industrial, safety.	K	K & M
	PRECIOUS METALS AND PLATED WARE, etc.:		
	Sterling and other solid silverware:		
695500	Knives, forks, and steak sets.	K	K & M
	PRECIOUS METALS AND PLATED WARE, etc.—Continued		
	Sterling and other solid silverware—Continued		
695600	Other (include tableware, other than knives, forks, and steak sets, ornamental silverware, silver solder and manufactures, n. e. s.):		
695600	Silver solder and silver-base brazing alloys.	None	None
695600	Other sterling and solid silverware, n. e. s.	K	K & M
	Silver-plated ware:		
695800	Knives, forks, and steak sets.	K	K & M
695900	Other (include tableware, other than knives, forks, and steak sets, ornamental silverware and manufactures, n. e. s.).	K	K & M
	ELECTRICAL MACHINERY AND APPARATUS:		
	Rotating converters (include frequency, phase and rotary converters, synchronous condensers, dynamotors and double-current and motor-generator sets):		
702710	Under 300 kilowatts:		
702710	For 35-mm. motion-picture projection equipment.	K	K & M
702710	For other motion-picture projection equipment.	K	K & M
702800	Tungar, rectigon and rectifier tubes and bulbs.	K	K & M
705605	Portable cloth cutters	K	K & M
706830	Electric household washing-machine parts.	K	K & M
706930	Electric domestic vacuum-cleaner parts.	K	K & M
707000	Hair dryers	K	K & M
707490	Parts for electric space heaters, immersion water heaters, hotel toasters, ranges, electric steam chef cookers, and other commercial cooking devices.	K	K & M
707550	Other X-ray apparatus and parts:		
707550	Bins: X-ray film loading	K	K & M
707550	Cabinets, including casette transfer.	K	K & M
707550	Chests: X-ray film	K	K & M
707550	Cones	K	K & M
707550	Filters	K	K & M
707550	Screens, fluoroscopic	K	K & M
707550	Other X-ray apparatus and parts, n. e. s.	None	None
709300	Insulating material n. e. s. (report glass in 529200, porcelain in 533500, 533600, rubber in 205400 and varnish in 844210):		
709300	Electric insulating cloth	None	None
709300	Electric insulating tape	None	None
709300	Other insulating material	K	K & M
709601	Fluorescent floor, desk, table, vanity and other portable lamps and parts.	K	K & M
709698	All types except fluorescent floor, desk, table, vanity and other portable lamps and parts.	K	K & M
709910	Electric razors	K	K & M
709996	Electric hair-waving machines (all kinds).	K	K & M
709998	Portable cloth cutter parts	K	K & M
	OTHER INDUSTRIAL MACHINERY:		
762800	Stencil-cutting machines and parts.	K	K & M
766100	Delinting machinery and parts.	K	K & M
767100	Cotton gins, cotton presses and parts.	K	K & M
771000	Coffee mills under 1 hp. (report parts in 775098).	K	K & M
773800	Repair parts for laundry and dry cleaning equipment.	K	K & M
774430	Pipe valves with bodies of iron and steel except flush valves:		
774430	Piping system, body valves	K	K & M
774430	Plumbing valves with bodies of iron.	K	K & M
775098	Bag-folding machinery and parts.	K	K & M
775098	Button-making and button-covering machinery and parts.	K	K & M

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		Old	New
	OTHER INDUSTRIAL MACHINERY—Con.		
775098	Coffee-mill parts, power-driven.	K	K & M
775098	Coil-winding machines, incandescent lamp.	K	K & M
775098	Fiber-bending machinery and parts.	K	K & M
775098	Hat-making machinery and parts.	K	K & M
775098	Leather-working machinery and parts.	K	K & M
775098	Linoleum and felt-base machinery and parts.	K	K & M
775098	Popcorn machines and parts, electric.	K	K & M
775098	Rope, twine-making machinery and parts (except wire rope making machinery).	K	K & M
775098	Tanning machinery and parts	K	K & M
	OFFICE APPLIANCES:		
776100	Repair parts for accounting, bookkeeping, and calculating machines:	K	K & M
776218	Equipment and parts for addressing machines:		
776218	Parts for repair	K	K & M
776218	Printing blanks, including addressograph blanks.	K	K & M
776318	Repair parts for duplicating machines.	K	K & M
776700	Repair parts for cash registers	K	K & M
777500	Typewriter parts:		
777500	Repair parts	K	K & M
777500	Ribbon spools	K	K & M
777900	Office appliances and parts, n. e. s. (include dictating, mailing, letter-opening and numbering machines and check protectors:		
777900	Date-stamping machines and parts (not check stamping).	K	K & M
777900	File punches	K	K & M
777900	Linatine	K	K & M
777900	Numbering machines and parts.	K	K & M
777900	Ticket punches, automatic and parts.	K	K & M
777900	Parts for repair except repair parts for file punches, linatines, numbering machines and automatic ticket punches.	K	K & M
	AGRICULTURAL MACHINERY AND IMPLEMENTS:		
780900	Small sprayers for garden and household use (valued less than $2) (for insecticides and disinfectants).	K	K & M
	OTHER VEHICLES AND PARTS:		
795300	Bicycle parts and accessories (report tires and inner tubes in 206400).	K	K & M
	Watercraft, other than naval:		
795691	Not over 16 gross tons, pleasure.	K	K & M
795695	Over 16 gross tons, pleasure (report merchant vessels, including barges, towboats, etc. in 795500.)	K	K & M
799590	Casters, except furniture casters.	K	K & M
799998	Other vehicles and parts, n. e. s. (include baby carriages, gocarts and small watercraft) (report motorboats in 795691 and tires and tubes other than on new equipment in 206400 and 206700.	K	K & M
	COAL-TAR PRODUCTS:		
802098	Crude coal-tar products, n. e. s. (report coal-tar coke in 500400):		
802098	Naphtha, high flash	None	None
802098	Tar acid oil	None	None
802098	Other crude coal-tar products, n. e. s.	K	K & M
	Coal-tar acids, crude and intermediate:		
802460	Salicylic acid, technical and medicinal grade:		
802460	Salicylic acid, other than technical or medicinal grade.	K	K & M
802460	Medicinal grade	None	None
802460	Technical grade	K	K & M
802488	Other coal-tar acids:		
802488	Aminobenzoic acid	K	K & M
802488	Aminosalicylic acid	K	K & M
802488	Anthranilic acid	K	K & M
802488	Arsanilic acid	K	K & M
802488	Beta hydroxy napthoicacid	K	K & M
	COAL-TAR PRODUCTS—Continued		
	Coal-tar acids, crude and intermediate—Con.		
	Salicylic acid, technical and medicinal grade—Con.		
802488	Chicago acid	K	K & M
802488	Chromotropic acid	K	K & M
802488	Cleves acid	K	K & M
802488	Gamma acid	K	K & M
802488	H acid	K	K & M
802488	Hydroxyphenylarsonic acid.	K	K & M
802488	Mandelic acid	K	K & M
802488	Metanilic acid	K	K & M
802488	Sulfnilic acid and salts	K	K & M
	Coal-tar intermediates except acids:		
802519	Aniline salts:		
802519	Aniline chloride	None	None
802519	Aniline sulfate	None	None
802519	Monoethylaniline	None	None
802519	Other aniline salts	K	K & M
802598	Other coal-tar intermediates:		
802598	Acetanilide, not medicinal.	None	None
802598	Alpha methylnaphthalene.	None	None
802598	Anthracene	None	None
802598	Anthraquinone or substitutes.	None	None
802598	Benzaldehyde	None	None
802598	Benzidine sulfate or base paste.	None	None
802598	Benzyl chloride	None	None
802598	Butyl phenol	None	None
802598	Butyl phthalyl butyl glycolate.	None	None
802598	Castor-oil phthalate	None	None
802598	Chlorophenol	None	None
802598	Chlorotoluidene	None	None
802598	Cyclohexane	None	None
802598	Cyclohexanol	None	None
802598	Cyclohexanone	None	None
802598	Diamyl phthalate	None	None
802598	Dibutoxyethyl phthalate	None	None
802598	Dicapryl phthalate	None	None
802598	Dichlorophenol	None	None
802598	Dicyclohexyl phthalate	None	None
802598	Diethoxyethyl phthalate	None	None
802598	Diglycol chlorophthalate	None	None
802598	Dimethyl phthalate	None	None
802598	Dimethoxyethyl phthalate.	None	None
802598	Dimethylcyclohexyl phthalate.	None	None
802598	Diphenyl phthalate	None	None
802598	Ethyl aniline	None	None
802598	Ethyl phthalyl ethyl glycolate.	None	None
802598	Hexachlorobenzene	None	None
802598	Hexalin	None	None
802598	Isobutyl castor oil phthalate.	None	None
802598	Metaxylene	None	None
802598	Methyl orthotoluidine	None	None
802598	Methyl phthalyl ethyl glycolate.	None	None
802598	Monochlorobenzene	None	None
802598	Naphthaquinone	None	None
802598	Orthoamidophenol	None	None
802598	Orthophenylphenol	None	None
802598	Paratoluidine	None	None
802598	Phenyl aniline	None	None
802598	Tributylglycol triphthalate.	None	None
802598	Trichlorophenol	None	None
802598	Triphenyl phosphate	None	None
802598	Other coal-tar intermediates, n. e. s.	K	K & M
805909	Household dyes in small packages (include Putnam fadeless, Rit, Sunset, Tintex, etc.).	K	K & M
806190	Other synthetic flavors and perfume materials:		
806190	Alpha amyl cinnamic aldehyde.	None	None
806190	Coumarin	None	None
806190	Saccharine	None	None
806190	Other	K	K & M
806930	Photographic chemicals of coal-tar origin:		
806930	Hydroquinone	None	None
806930	Other	K	K & M
806998	Other finished coal-tar products (report medicinals in 813501–818098; synthetic resins in 825100–826198, 962700–962900, 981201–981398; tanning materials in 823998; explosives in 860901–860998; disinfectants in 820900):		
806998	Amyl phenol	None	None
806998	Benzyl alcohol	None	None
	COAL-TAR PRODUCTS—Continued		
	Other finished coal-tar products—Con.		
806998	Benzyl benzoate	None	None
806998	Bis phenol	None	None
806998	Chloropicrin	None	None
806998	Dimonophenyl phosphate	None	None
806998	Dioctyl phthalate	None	None
806998	Diphenyl monophosphate	None	None
806998	Hydroquinoline	None	None
806998	Methyl parahydroxy benzoate.	None	None
806998	Morpholine	None	None
806998	Nipagin	None	None
806998	Tetralin	None	None
806998	Other finished coal-tar products except medicinal, n. e. s.	K	K & M
	MEDICINAL AND PHARMACEUTICAL PREPARATIONS:		
812798	Castor-oil capsules	K	K & M
813598	Acetyl choline bromide	K	K & M
813598	Bromoform	K	K & M
813598	Calcium mandelate	K	K & M
813598	Calcium luvulinate	K	K & M
813598	Calcium ferrocyanide	K	K & M
813598	Calcium carbonate	K	K & M
813598	Calcium molybdate	K	K & M
813598	Calcium peroxide	K	K & M
813598	Calcium sulfate, precipitated	K	K & M
813598	Calcium phosphate, normal	K	K & M
813598	Calomine zinc oxide, containing a small amount of ferric oxide, used in pharmacy to impart a flesh color to ointments, washes, and powders.	K	K & M
813598	Creosote, beechwood and creosote, vegetable.		
813598	Gallic dibromo acid	K	K & M
813598	Hesperidin	K	K & M
813598	Lithium bromide	K	K & M
813598	Merbromine	K	K & M
813598	Mercuric bromide	K	K & M
813598	Potassium sulfoquayacolate	K	K & M
813598	Strontium bromide	K	K & M
813598	Terpin hydrate drugs	K	K & M
813598	Wood creosote	K	K & M
	Household medicinal chemicals and pharmaceuticals in small packages:		
814100	Solids (include alum, boric acid, sulfur, soda, epsom and rochelle salts, fullers earth, zinc stearate, bicarbonate of soda, etc.).	K	K & M
814200	Liquids (include camphorated oil, aromatic spirits of ammonia):		
814200	Iodine	None	None
814200	Rubbing alcohol	None	None
814200	Other	K	K & M
814800	Proprietary medicinal preparations:		
	Mouth washes, gargles and personal antiseptics (include Listerine, Lavoris, Glycothymoline, Astringosol, Zonite, etc.).	K	K & M
814900	Corn and foot remedies	K	K & M
815098	Plasters, n. e. s.:		
815098	Surgical adhesive plasters	None	None
815098	Other plasters, n. e. s	K	K & M
815100	Linaments:		
815100	Belladonna liniment, N. F.	None	None
815100	Other liniments	K	K & M
	Salves and ointments:		
815200	For burns, cuts, skin diseases, insect bites, inflammation, etc.	K	K & M
815300	For coughs, colds, catarrh and bronchial infection (include Vicks, Mentholatum, Musterole, Antiphlogistine, etc.).	K	K & M
815400	Cold, cough and bronchial preparations (other than 815300):		
815400	Containing quinine	None	None
815400	Preparations containing narcotics.	None	None
815400	Preparations containing ephedrine.	None	None
815400	Other, n. e. s	K	K & M
815500	Asthma, catarrh and hayfever preparations, including inhalants, except salves and ointment:		
815500	Preparations containing ephedrine.	None	None
815500	Other	K	K & M

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		Old	New
	MEDICINAL AND PHARMACEUTICAL PREPARATIONS—Con.		
	Proprietary medicinal preparations—Continued		
816000	Tonics, blood purifiers, emulsions, and appetizers:		
816000	Containing quinine	None	None
816000	Preparations containing vitamins.	None	None
816000	Other	K	K & M
816100	Laxatives, purgatives, and cathartics:		
816100	Preparations containing cascara.	None	None
816100	Preparations containing ipecac.	None	None
816100	Preparations containing phenolphthalein.	None	None
816100	Other	K	K & M
816200	Milk of magnesia	K	K & M
816500	Digestive preparations:		
816500	Containing quinine	None	None
816500	Preparations containing aspirin.	None	None
816500	Preparations containing ipecac.	None	None
816500	Other digestive preparations.	K	K & M
	CHEMICAL SPECIALTIES:		
820550	Seed disinfectants	K	K & M
820596	Calcium cyanide	K	K & M
820598	Tobacco extracts other than used for flavoring tobacco.	K	K & M
820900	Household and industrial disinfectants, deodorants, germicides, and similar preparations (include Lysol, Cresol, Creolin, Sulphonaphthol, phenolic preparations, etc.):		
820900	Dowicide	None	None
820900	Cresyl paratoluene sulfonate.	None	None
820900	Other	K	K & M
823000	Baking powder	K	K & M
823300	Dextrine or British gum	K	K & M
823400	Tobacco saucing or extract of tobacco origin, used for flaving tobacco.	K	K & M
823801	Pigmented resin emulsions for textile use.	K	K & M
824000	Water softeners, purifiers, boiler and feed-water compounds.	K	K & M
825000	Metalworking compounds (include welding, soldering, cutting, drilling, drawing, brazing, tempering, and core compounds, fluxes, hardeners, and screw cutting oils and compounds).	K	K & M
	Synthetic gums and resins (report manufactures in 981200–981398) (report synthetic rubber sold in bulk as raw material in 209930):		
	In powder, flake or liquid form (include scrap):		
825300	Glycerophthalate	K	K & M
	Tar-acid resins (include phenolic, creosole or cresylic, such as Beckacite, Beckosol, Catalin, Durez, Durite, Syntex, etc.):		
825501	Phenol-formaldehyde resins.	None	None
825598	Other	K	K & M
	Urea (include Beetle molding powder, etc.):		
825707	Plaskon molding powders.	K	K & M
825798	Melamine molding powders.	K	K & M
825809	Other (include acrylic and similar resins, n. e. s.):		
825809	Acrylic monomer	None	None
825809	Acrylic resins	K	K & M
825809	Coumarone	None	None
825809	Polyethylene and polyethylene polymers.	None	None
825809	Other synthetic gums and resins, n. e. s.	K	K & M
	Sheets, plates, rods, tubes and other unfinished forms (include Backelite, Beetle, Catalin, Celeron, Durez, Fiberton, Formica, Glyptal, Joanite, Lucite, Micarta and Plaskon):		
	CHEMICAL SPECIALTIES—Continued		
	Synthetic gums and resing—Continued		
	Sheets, plates, rods, tubes and other unfinished forms—Continued		
	Laminated:		
826098	Of other synthetic gums and resins:		
826098	Of polyethylene molding powder.	None	None
826098	Other	K	K & M
	Not laminated:		
826198	Of other synthetic gums and resins.	K	K & M
	Pyroxylin products (include products known as Celuloid, Pyralin, Viscoloid, Fiberloid, etc.) (report manufactures of pyroxylin, etc., n. e. s., in 981900, 982000):		
826200	Pyroxylin scrap and film scrap (report cellulose acetate scrap in 832800).	K	K & M
826300	Pyroxylin plastic film support (film base).	K	K & M
826400	Pyroxylin sheets, rods, or tubes, and other unfinished forms (specify) (report manufactures in 982000).	K	K & M
826505	Cellulose acetate molding compositions and molding powder, plasticized.	K	K & M
826700	Cellulose acetate plastic film support.		
	Nitro- and aceto-cellulose:		
	Solutions, collodion, etc. (report lacquers in 843300 and 843400):	K	K & M
826805	Nitrocellulose having nitrogen content of 12 percent or less.		
	Not in solution (wet down with water or diluent):		
826905	Nitrocellulose having nitrogen content of 12 percent and less.	K	K & M
827300	Cements for sealing cans	K	K & M
827400	Other cementing preparations for repairing, sealing, and adhesive use:		
827400	Urea resin glue (weld-wood glues, etc.).	None	None
827400	Other	K	K & M
828900	Specialty cleaning and washing compounds (except soap).	K	K & M
829550	Natural flavoring extracts	K	K & M
829500	Synthetic flavoring extracts (include flavors for soft drinks, cooking, baking, ice cream, etc.):		
829590	Neo liquid acid beverage combination of citric and phosphoric acids.	None	None
829590	Other	K	K & M
829950	Licorice extract and mass	K	K & M
829990	Chemical specialty compounds, n. e. s. (include lead lineolate and cobalt resinate) (report petroleum bases for insecticidal sprays in 505900, empty gelatin capsules in 009900, and parachute flares in 949795):		
829900	Chlorinated paraffin	None	None
829990	Cadmium plating salts	None	None
829990	Halowax	None	None
829990	Lead naphthenate	None	None
829990	Lubricating oil additives	None	None
829990	Santicizers, other	None	None
829990	Silica gel	None	None
829990	Zinc specialty compounds, n. e. s.	K	K & M
829990	Other, n. e. s.	K	K & M
	INDUSTRIAL CHEMICALS:		
	Acids and anhydrides:		
	Organic:		
830309	Oxalic acid	K	K & M
830398	Other, except coal-tar (include formic, butyric, propionic, lactic, gallic, and other non-coal-tar acids) (report coal-tar acids in 802300 and 802401–802498):		
830398	Butyric acid	None	None
830398	Lactic acid	None	None
830398	Naphthenic acid	None	None
830398	Pyrogallic acid	None	None
830398	Other, except coal-tar	K	K & M
	INDUSTRIAL CHEMICALS—Continued		
	Acids and anhydrides—Con.		
	Inorganic:		
830700	Hydrochloric (muriatic)	K	K & M
830800	Boric (boracic) (report boric acid in small packages in 814100).	K	K & K
830930	Nitric	K	K & M
830992	Molybdenum trioxide (include molybdic acid and molybdenum oxide briquets).	K	K & M
830998	Other inorganic acids and anhydrides:		
830998	Arsenic acid	K	K & M
830998	Hydrofluoric acid	None	None
830998	Perchloric acid	None	None
830998	Other	K	K & M
831400	Glycerin	K	K & M
832500	Frothing oil	K	K & M
832930	Acetic ether	K	K & M
832950	Sodium acetate	K	K & M
832987	Chloroacetyl chloride	K	K & M
832998	GC 78	K	K & M
832998	S T 115	K	K & M
834300	Calcium chloride	K	K & M
	Bromine, bromides, and bromates:		
834401	Bromine	K	K & M
834415	Ethylene dibromide	K	K & M
834498	Tetrachloroethane	None	None
834498	Other, n. e. s.	K	K & M
	Potassium compounds (not fertilizers):		
835800	Hydroxide (caustic potash)	K	K & M
835913	Potassium cyanide and mixtures.	K	K & M
835918	Potassium nitrate, n. e. s. and mixtures.	K	K & M
835998	Other potassium compounds (report fertilizers in 853101–853198):		
835998	Potassium bicarbonate and mixtures.	None	None
835998	Potassium chloride	None	None
835998	Potassium ferricyanide	None	None
835998	Potassium ferrocyanide metabisulfite.	None	None
835998	Potassium magnesium sulfate.	None	None
835998	Potassium naphthenate	None	None
835998	Potassium oxide	None	None
835998	Potassium sodium ferricyanide.	None	None
835998	Potassium thiocyanate	None	None
835998	Superphosphate	None	None
835998	Potassium perchlorate and mixtures.	None	None
835998	Potassium sulfate	None	None
835998	Other	K	K & M
836214	Kernite or rasorite (borates, crude).	K	K & M
	Borates, refined:		
836221	Ammonium borate	K	K & M
836222	Borax glass	K	K & M
836227	Sodium metaborate	K	K & M
836298	Borates, n. e. s.	K	K & M
	Sodium compounds, n. e. s.:		
836400	Silicate (water glass)	K	K & M
836500	Carbonate, calcined (soda ash) (report sal soda in 837998).	K	K & M
837700	Sodium phosphate (mono-, di-, tri-, meta-, or pyro-):		
837700	Sodium diphosphate	K	K & M
837700	Sodium phosphate, mono- and meta-.	K	K & M
837700	Sodium phosphate, tri- or pyro-.	None	None
837800	Hydrosulfite and compounds.	K	K & M
837998	Sodium metasilica	K	K & M
	Ammonium compounds:		
838503	Bicarbonate and carbonate	K	K & M
838505	Chloride (sal ammoniac)	K	K & M
838598	Ammonium compounds, n. e. s. (include molybdate and phosphate) (report anhydrous ammonia in 839000, bromide in 834498, and compounds used as fertilizers in 850500–855198):		
838598	Ammonium bichromate	None	None
838598	Ammonium chromate	K	K & M
838598	Ammonium fluosilicate	None	None
838598	Ammonium phosphate	None	None
838598	Ammonium naphthenate	None	None
838598	Ammonium silicofluoride	None	None
838598	Ammonium sulfate	None	None
838598	Dicyanodiamide	None	None
838598	Guanidine (include guanidine carbonate).	None	None
838598	Perchlorate	None	None

Schedule B No.	Commodity	General license country group	
		Old	New
	INDUSTRIAL CHEMICALS—Continued		
	Ammonium compounds Contihued		
	Ammonium compounds, n. e. s.—Continued		
838598	Urea ammonuim salts	None	None
838598	Thiourea	None	None
838598	Other ammonium compounds, n. e. s.	K	K & M
	Gases, compressed, liquefied and solidified:		
839100	Other gaseous refrigerants:		
839100	Methyl chloride gas	None	None
839100	Freon	None	None
839100	Other gaseous refrigerants	K	K & M
839598	Other gases, n. e. s., liquefied and solidified (include carbon dioxide, liquid or solid (dry ice)) (report liquefied petroleum gases, butane, propane, Pyrofax, Philgas, etc. in 504300 and formaldehyde gas in 832005).	K	K & M
839690	Cobalt salts and compounds (except chemical pigments):		
839690	Cobalt naphthenate	None	None
839690	Other	K	K & M
839718	Cupric acetate	K	K & M
839718	Cupric hydroxide	K	K & M
839718	Cupric nitrate	K	K & M
	Manganese salts and compounds:		
839728	Other:		
839728	Manganese naphthenate	None	None
839728	Manganese chloride	None	None
839728	Other	K	K & M
	Stronium salts and compounds:		
839780	Celestite (mineral strontium sulfate).	K	K & M
839785	Strontium oxylate	K	K & M
839788	Other	K	K & M
839918	Other titanium salts and compounds.	K	K & M
	Zinc salts and compounds:		
839845	Zinc chloride	K	K & M
839847	Zinc sulfate	K	K & M
839848	Other:		
839848	Zinc ammonium chloride	K	K & M
839848	Zinc arsenate	None	None
839848	Zinc naphthenate	None	None
839848	Other	K	K & M
	Zirconium salts and compounds:		
839854	Zirconium oxides	K	K & M
839858	Other	K	K & M
839893	Indium compounds	K	K & M
	PIGMENTS, PAINTS, AND VARNISHES:		
	Mineral-earth pigments (dry):		
840100	Ocher, umber, sienna, and other forms of iron oxide for paints (include ground red oxide of iron):		
840100	Ferric oxide, yellow	None	None
840100	Hydrated yellow iron oxide.	None	None
840100	Iron oxide, yellow	None	None
840100	Ocher, umber, sienna, and other forms of iron oxide for paints.	K	K & M
840500	Other mineral-earth pigments (include whiting and barytes).	K	K & M
	Chemical pigments:		
841900	Lampblack	K	K & M
842400	Red lead, dry (report red lead in oil in 843103).	K	K & M
842500	Litharge	K	K & M
	White lead:		
842600	Dry (basic lead carbonate).	K	K & M
842700	In oil	K	K & M
	Lead pigments:		
842912	Orange mineral	K	K & M
842913	Sublimed lead (basic sulfate), dry.	K	K & M
842998	Chemical pigments n. e. s. (include cobalt oxide, bone black, and dry colors other than mineral and coal-tar):		
842998	Bone black	None	None
842998	Cadmium lithopone	None	None
842998	Cadmium sulfide	None	None
842998	Smalt	K	K & M
842998	Other, n. e. s.	K	K & M
	PIGMENTS, PAINTS, AND VARNISHES—Con.		
	Chemical pigments—Con.		
	Chemical pigments, n. e. s.—Continued		
843000	Bituminous paints, liquid and plastic, not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.	K	K & M
	Paste and semipaste paints, colors in oil, putty, and paste wood filler:		
843103	Red lead in oil	K	K & M
843198	Other (report aluminium and aluminium bronze pastes in 630850):		
843198	Sublimed lead in oil	K	K & M
843198	Not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.	K	K & M
	Water paints (all types):		
843210	Water paints, dry:		
843210	Kalsomine	K	K & M
843210	Not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.	K	K & M
843230	Emulsion paints (oil, resin, or varnish emulsions included) not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.		
843250	Water paints, in paste form, except emulsion paints not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.		
	Nitrocellulose and other cellulosic lacquers:		
843310	Pigmented, not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.	K	K & M
843410	Clear, not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.	K	K & M
843510	Thinners for nitrocellulose and other cellulosic lacquers not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.	----	----
843800	Ready-mixed paints, stains, and enamels:		
843800	Containing radium in any form.	None	None
843800	Containing mesothorium	None	None
843800	Other paints, stains, and enamels, ready-mixed not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-32. 8	K	K & M
844210	Varnishes (oil or spirit), natural or synthetic, not containing any of the allocated raw materials listed in paragraph (a) (2), WPB Order M-382.	K	K & M
	Nitrogenous fertilizer materials:		
850098	Ammonium chloride as fertilizer.	K	K & M
	Phosphatic fertilizer materials:		
	Phosphate rock, Florida:		
851510	High-grade hard rock	K	K & M
851520	Land pebble	K	K & M
851560	Other (include soft rock, colloidal and sintered matrix).	K	K & M
851580	Phosphate rock, Tennessee, Idaho, and Montana.	K	K & M
855100	Plant foods	K	K & M
	SOAP AND TOILET PREPARATIONS:		
871600	Industrial soap powder	K	K & M
873400	Dental creams	K	K W
873500	Other dentifrices	K	K & M
	SOAP AND TOILET PREPARATIONS—Con:		
	Toilet powders:		
874000	Talcum powder, in packages (report crude talc in 573800).	K	K & M
874200	Face and compact powder	K	K & M
	Creams, rouges, and other cosmetics:		
875000	Cold creams	K	K & M
875100	Vanishing creams	K	K & M
875200	Other creams, lotions and balms.	K	K & M
875500	Rouges	K	K & M
875600	Lipsticks	K	K & M
875700	Other cosmetics	K	K & M
875900	Manicuring preparations	K	K & M
876200	Depilatories and deodorants	K	K & M
876500	Hair preparations (include shampoos, tonics, dyes, pomades, dressings, etc.).	K	K & M
876600	Perfumery and toilet waters	K	K & M
877000	Other toilet preparations (include bath salts, bleaches, astringents, and similar preparations).	K	K & M
	PHOTOGRAPHIC AND PROJECTION GOODS:		
	Cameras: Motion-picture:		
900150	Substandard gage (8-mm.)	K	K & M
	Other than motion-picture:		
900238	Studio, photoengraving, coin-operated, and similar types of cameras for professional, scientific, or commercial use:		
900238	Photoengraving cameras	None	None
900238	Other cameras	K	K & M
900300	Box type (set focus)	K	K & M
900500	Other (include cameras of the types usually used by amateur photographers).	K	K & M
900600	Parts of cameras, except lenses.	K	K & M
	Projectors: Motion-picture:		
900830	Substandard gage (16-mm.) silent.	K	K & M
900850	Substandard gage (8-mm.) silent.	K	K & M
900900	Except motion picture:		
900900	Kodascope, standard gage 35-mm. silent.	None	None
900900	Stereopticons, magic lanterns and other projection apparatus.	K	K & M
	Motion-picture sound equipment:		
901000	Recording:		
901000	35-mm	None	None
901000	Other	K	K & M
901100	Reproducing:		
901100	35-mm	None	None
901100	Other	K	K & M
902000	Arc lamps, motion-picture projection:		
902000	35-mm	K	K & M
902000	Other	K	K & M
902200	Motion-picture screens:		
902200	35-mm	K	K & M
902200	Other	K	K & M
902900	Parts and equipment for projection and studio apparatus:		
902900	Microphone booms for 35-mm. motion-picture equipment.	None	None
902900	Microphone booms, other	None	None
902900	Other 35-mm. projection and studio apparatus and parts, n. e. s.	K	K & M
902900	Other projection parts and equipment.	K	K & M
912700	Dry plates	K	K & M
914000	Photographic apparatus and supplies, n. e. s. (specify by name) (report lenses in 914700):		
914000	X-ray apparatus and parts:		
914000	Film driers and processing units.	K	K & M
914000	Film driers and processing unit parts.	None	None
914000	Hangers, developing	K	K & M
914000	Hangers, film	K	K & M
914000	Hangers, parts for	None	None
914000	Intensifying screens	K	K & M
914000	Intensifying screen parts	None	None
914000	Tanks, developing	K	K & M
914000	Tanks, developing, parts for.	None	None
914000	Other photographic apparatus and supplies.	K	K & M

Schedule B No.	Commodity	General license country group	
		Old	New
	SCIENTIFIC AND PROFESSIONAL INSTRUMENTS, APPARATUS, AND SUPPLIES:		
	Optical goods:		
914350	Sun or glare glasses and sun goggles.	K	K & M]
914390	Spectacles, eyeglasses, goggles, lenses, n. e. s., and frames:		
914390	Lenses, optical	None	None
914390	Mica spectacles or eyeglasses.	K	K & M
914390	Other	K	K & M
914700	Optical lenses, not fitted to instruments, photographic and projection lenses except 35-mm. projection lenses.	K	K & M
914998	Optical goods, n. e. s. (include ophthalmoscopes and other ophthalmic apparatus) (report lens grinders in 775098 and military equipment containing optical elements in 915901–915979):		
914998	Diagnostic ophthalmic implements and equipment.	None	None
914998	Other optical goods, n. e. s.	K	K & M
915000	Dental instruments:		
915000	Diamond points	None	None
915000	Hand pieces and angles	None	None
915000	Other dental instruments	K	K & M
915200	Teeth	K	K & M
915550	Dental office equipment (include chairs, units, engines, spittoons, air compressors, control panels, water heaters and syringes, lights, operating stools, dental lathes, and dental vulcanizers):		
915550	Air compressors	K	K & M
915550	Bench grinders for dental use.	None	None
915550	Dental engines	None	None
915550	Dental equipment requiring fractional hp. motors.	None	None
915550	Dental furnaces	K	K & M
915550	Dental lathes	None	None
915550	Dental operating chairs	K	K & M
915550	Dental operating units	K	K & M
915550	Gasoline gas outfits	K	K & M
915550	Other dental office equipment.	K	K & M
915590	Dental supplies, n. e. s. (include silver alloys and amalgams):		
915590	Acrylic for dental use	None	None
915590	Dental burrs	None	None
915590	Dental disc, diamond	Noen	None
915590	Methyl methacrylate for dental use.	None	None
915590	Orthodontic appliances of precious metals.	K	K & M
915590	Wax for dental use	K	K & M
915590	Other dental supplies, n. e. s.	K	K & M
915700	Surgical and medical instruments:		
915700	Hypodermic and surgeons' needles.	None	None
915700	Other surgical and medical instruments.	K	K & M
915800	Surgical appliances (include artificial limbs, crutches, trusses, invalids' and wheel chairs, and hearing devices).	K	K & M
	Surveying and engineering instruments, equipment, and parts, n. e. s. (include instruments with optical systems, n. e. s.):		
916011	Transits	K	K & M
916013	Levels	K	K & M
916015	Compasses	K	K & M
916017	Plane tables	K	K & M
916019	Map reproduction equipment.	K	K & M
916021	Drawing equipment and parts.	K	K & M
916029	Surveying and engineering instruments, equipment, and parts, n. e. s.	K	K & M
919098	Alarms, carbon monoxide	K	K & M
919098	Analyzers, gas, safety	K	K & M
919098	Breathing apparatus, oxygen, industrial.	K	K & M
919098	Canisters, gas mask, industrial.	K	K & M
919098	Detectors, carbon monoxide gas.	K	K & M
919098	Explosimeters, combustible gas.	K	K & M
	SCIENTIFIC AND PROFESSIONAL INSTRUMENTS, APPARATUS, AND SUPPLIES—Con.		
919098	Gloves, steel reinforced, industrial.	K	K & M
919098	Guards, foot, shin, toe, and machine.	K	K & M
919098	Helmets, industrial safety	K	K & M
919098	Indicators, hazard measuring gas.	K	K & M
919098	Inhalators, industrial	K	K & M
919098	Nets, life	K	K & M
919098	Oxygen masks used in high-altitude flying (report gas masks in 919092).	K	K & M
919098	Respirators, industrial	K	K & M
919098	Resuscitating apparatus	K	K & M
919098	Samplers, dust, industrial safety.	K	K & M
919098	Shields, industrial safety	K	K & M
	MUSICAL INSTRUMENTS, PARTS AND ACCESSORIES:		
	Pianos:		
921100	New	K	K & M
921200	Used or rebuilt	K	K & M
923000	Pipe organs	K	K & M
923200	Other organs	K	K & M
	Phonographs:		
923500	Coin-operated	K	K & M
923600	Other (report motion-picture sound-reproducing equipment in 901100 and other sound-recording equipment, whether or not provided with playback features, in 709998; all combination radio-phonographs whether or not provided with recording equipment in 707700; dictating machines in 777900).	K	K & M
923900	Phonograph parts (include incomplete assemblies).	K	K & M
924200	Phonograph records (report motion-picture sound records in 901100 and dictaphone records in 939900).	K	K & M
	Band instruments:		
924500	Percussion (include drums, cymbals, xylophone, etc.)	K	K & M
924700	Brass wind instruments (include bugles, cornets, trombones, tubas, trumpets, sousaphones, French horns and other horns with cup mouthpieces).	K	K & M
924800	Woodwind instruments (include saxophones, clarinets of wood, metal, or composition, flutes, piccolos, oboes, bassoons, English horns, beckelphones, fifes, and sarrusophones).	K	K & M
929300	String instruments (specify by name).	K	K & M
929500	Other musical instruments (specify by name).	K	K & M
929700	Musical instrument parts and accessories, n. e. s. (include actions and parts of pianos) (specify by name) (report parts of phonographs in 923900).	K	K & M
	MISCELLANEOUS OFFICE SUPPLIES:		
930530	Pencil leads	K	K & M
930550	Pencil parts	K	K & M
930600	Crayons (include chalk, gypsum, wax, and charcoal, crayons, or fusains).	K	K & M
931200	Fountain and stylographic pen parts (include holders and parts of rubber or other material) (report pen points and nib assemblies in 931600).	K	K & M
931600	Gold pen points	K	K & M
931900	Other penholders and parts	K	K & M
932100	Writing ink	K	K & M
932200	Printing and lithographic ink	K	K & M
932900	Other ink:	K	K & M
932900	Duplicating machine fluids	K	K & M
932900	Ink powders	K	K & M
932900	Stencil fluids	K	K & M
932900	Other ink	K	K & M
939100	Paste and mucilage	K	K & M
939200	Carbon paper	K	K & M
939500	Typewriter ribbons	K	K & M
939900	Other office supplies (include paper clips, thumbtacks, binders, inkstands, and dictaphone records):		
939900	Glass paper weights	K	K & M
	MISCELLANEOUS OFFICE SUPPLIES—Con.		
	Other office supplies—Con.		
939900	Check protector ribbons	K	K & M
939900	Paper clips, clamps, and fasteners.	None	None
939900	Pencil sharpeners, desk	None	None
939900	Punches and perforators	None	None
939900	Staple removers	None	None
939900	Thumbtacks	None	None
939900	Other office supplies, n. e. s	K	K & M
	TOYS, ATHLETIC AND SPORTING GOODS:		
940000	Dolls and parts (specify type, i. e., rubber, composition, or stuffed) (include clothing.	K	K & M
940500	Children's wheel goods and parts (specify by name) (include coaster, express, and play wagons, automobiles, tricycles, wheels and other parts) (report doll carriages and other vehicles, too small to convey children, in 940900, 941000, or 941800).	K	K & M
940800	Mechanical toys and parts (include toys operated by springs, electricity, steam, hand cranks, etc.) (specify kind).	K	K & M
	Toys, n. e. s.:		
940900	Of metal (include air rifles) (specify by name).	K	K & M
941000	Of wood (specify by name)	K	K & M
941800	Toys and parts, n. e. s. (include marbles) (specify by name) (report rubber balloons in 204500 and rubber toys in 204600).	K	K & M
	Athletic and sporting goods:		
942000	Fishing rods (report parts in 942000).	K	K & M
942100	Fishing reels (report parts in 942200).	K	K & M
942200	Other fishing tackle and parts (report tackle suitable for commercial fishing in 984900).	K	K & M
943300	Golf balls	K	K & M
943400	Foot, basket, base, tennis, and other balls (specify kind) (report balls wholly of rubber in 204600).	K	K & M
943600	Golf clubs	K	K & M
944000	Ice skates	K	K & M
944100	Roller skates	K	K & M
944500	Billiard tables and accessories (specify by name).	K	K & M
944900	Other athletic and sporting goods (include boxing gloves, soccer and other guards, golf bags, bats, tennis rackets, include sleds, badminton equipment and bowling accessories) (report shoes in 064510–065690; firearms and ammunition in 947004–949793) (specify kind).	K	K & M
945000	Amusement park and playground devices and parts (include bowling alleys merry-go-rounds, slides, swings, trapeze, climbing ropes, seesaws, horizontal bars and other athletic contrivances).	K	K & M
	FIREARMS, AMMUNITION, AND PYROTECHNICS:		
	Pyrotechnics:		
949750	Commercial and display (include all pyrotechnics designed primarily for entertainment, such as set pieces, bombs, Roman candles, fountains, sparklers, skyrockets, firecrackers, salutes, mines, and novelties).	K	K & M
949798	Other (include all pyrotechnics for industrial or military use, such as railroad fuses and torpedoes, float lights, aerial photographic bombs, and position lights).	K	K & M
	BOOKS, MAPS, PICTURES, AND OTHER PRINTED MATTER, N. E. S.		
956500	Playing cards	K	K & M

Schedule B No.	Commodity	General license country group	
		Old	New
	MISCELLANEOUS COMMODITIES, N. E. S.:		
958900	Watch crystals of all materials.	K	K & M
959198	Repair parts for time-recording devices.	K	K & M
961000	Paintings, etchings, engravings, statuary, and antiques (include valuable manuscripts) (report plaster-of-paris statuary in 548700).	K	K & M
	Jewelry and other personal articles:		
	Of other metals (silver, gold-filled, rolled-plate, and base metal whether or not electro-plated):		
962100	Men's jewelry (include rings, collar and cuff buttons, studs, tie clips and holders, watch chains, watch bracelets, and stick pins):		
962100	Containing diamonds or other precious stones.	None	None
962100	Of palladium	None	None
962100	Other	K	K & M
962300	Women's jewelry (include rings, bracelets, bar pins, brooches, necklaces, and earrings):		
962300	Containing diamonds or other precious stones.	None	None
962300	Of palladium	None	None
962300	Other	K	K & M
962600	Other articles (include cigarette cases, pocket cigar and cigarette lighters, compacts, powder, and vanity cases):		
962600	Containing diamonds or other precious stones.	None	None
962600	Of palladium	None	None
962600	Other	K	K & M
	Of all materials except metal:		
962700	Men's jewelry (include rings, collar and cuff buttons, studs, tie clips and holders, watch chains, watch bracelets, and stick pins).	K	K & M
962800	Women's jewelry (include rings, bracelets, bar pins, brooches, necklaces and earrings).	K	K & M
962900	Other articles (include cigarette cases, pocket cigar and cigarette lighters, compacts, powder and vanity cases).	K	K & M
963500	Jewelry findings and parts (specify by name):		
963500	Of solid gold, palladium, or precious stones.	None	None
963500	Of platinum	None	None
963500	Other jewelry findings and parts.	K	K & M
968000	Bottle and container closures, n. e. s. (report cork in 430500, glass in 529900, and rubber in 204200):		
968000	Metal beverage crowns	None	None
968000	Other bottle and container closures, n. e. s.	K	K & M
968501	Thermostatic bottles, carafes, jars, jugs, and other thermostatic containers.	K	K & M
968509	Parts of thermostatic containers.	K	K & M
	Composition roofing:		
969300	Asphalt roofing	K	K & M
969600	Asbestos roofing	K	K & M
969900	Other roofing	K	K & M
	Buttons:		
971100	Of cellulose compounds, galalith, and other compounds.	K	K & M
971250	Of pearl or shell (include fresh-water and ocean-pearl buttons).	K	K & M
971290	Of other materials (specify materials).	K	K & M
971300	Button parts, backs, blanks, or molds, all materials included (specify type of article).	K	K & M
	MISCELLANEOUS COMMODITIES, N. E. S.—Continued		
	Buttons—Continued		
	Lamps and illuminating devices, except electric:		
979100	Incandescent mantles	K	K & M
979300	Parts for gasoline pressure lamps, lanterns.	K	K & M
979900	Lighting devices and parts n. e. s. except glass and electric (include oil torches and buoyant water lights):		
979900	Lamp burners	None	None
979900	Miners' lamp parts, oil and carbide.	None	None
979900	Other carbide and acetylene lamp parts.	None	None
979900	Other lighting devices and parts.	K	K & M
980700	Fire extinguishers and parts, manufactures of synthetic gums and resins (include Bakelite, Beetle, Catalin, Celeron, Durez Fiberton, Formica, Glyptal, Joanite, Lucite, Micarta, Plaskon, etc.) (report synthtic gums and resins and unfinished forms in 825100–826998):	K	K & M
	Molded products:		
981201	Of phenol-formaldehyde, fabricated.	K	K & M
981203	Of methyl methacrylate, fabricated.	K	K & M
981207	Of urea-formaldehyde, fabricated.	K	K & M
981298	Of other synthetic gums and resins.	K	K & M
	Other synthetic resin products:		
981301	Phenol-formaldehyde products, fabricated, not molded.	K	K & M
981303	Methyl methacrylate products, fabricated, not molded.	K	K & M
981307	Urea-formaldehyde products, fabricated, not molded.	K	K & M
981398	Other synthetic resin products (specify type of article).	K	K & M
981900	Manufactures of cellulose acetate, n. e. s. (include celanese fibestos, Lumarith, Masuron, Moldite, Plastacelle, and Tenite) (report sheets, rods, or tubes, and scrap in 826001–826700).	K	K & M
982000	Manufactures of all compounds of cellulose (except cellulose acetate), n. e. s. (include Celastic, Colescot, Celluloid, Dumold, Fiberloid, Nixinoid, Pyradiolin, Pyralin, Viscoloid) (report scrap and film scrap, film support, sheets, rods, or tubes, in 826001 and 826700; report vulcanized fiber in 479500 and pulpware in 479900).	K	K & M
982100	Sponges, natural or synthetic (report rubber sponges in 204200).	K	K & M
982200	Tooth brushes (specify materials of which handles or backs are composed).	K	K & M
982400	Toilet brushes, other than tooth brushes (specify materials of which handles or backs are composed).	K	K & M
982501	Paint brushes (include industrial paint brushes, artists' brushes and camel-hair sword-striping pencils):		
982501	Hog bristles (specify length)	None	None
982501	Other	K	K & M
982610	Household brushes (specify type):		
982610	Scrub brushes	None	None
982610	Other brushes	K	K & M
982691	Other brushes (specify type) (include rubber brushes):		
982691	Rubber brushes	None	None
982691	Wire brushes	None	None
982691	Other brushes	K	K & M
982700	Combs (except wholly of rubber):		
982700	Paper combs	None	None
982700	Other combs (except wholly of rubber).	K	K & M
	MISCELLANEOUS COMMODITIES, n. e. s.—Con.		
	Combs (except wholly of rubber)—Continued		
	Pipes and smokers' articles:		
982800	Tobacco pipes (of all materials).	K	K & M
982900	Other smokers' articles (specify type of article) (report pocket cigar and cigarette lighters in 962000, 962600, and 962900):		
982900	Glass cigarette boxes	K	K & M
982900	Other smokers' articles, n. e. s.	K	K & M
983000	Plates and cuts, electrotype, stereotype, halftone, lithographic, or engraved.	K	K & M
983100	Umbrellas and parasols	K	K & M
984005	Beads and bead articles	K	K & M
984098	Notions, cheap novelties and specialties, n. e. s. (by name):		
984098	Apparel findings of metal (report shoe findings in 985300).	K	K & M
984098	Pins, bobby, hair, safety, bank, and common straight.	None	None
984098	Other notions, cheap novelties and specialties, n. e. s. (include costume forms).	K	K & M
984900	Fishing tackle and equipment suitable only for commercial fishing (report other fishing tackle in 942000–942200).	K	K & M
985300	Shoe findings (except leather and rubber) (include heels of wood, covered or uncovered).	K	K & M
987100	Coin-operated commodity-vending machines.	K	K & M
987200	Other coin-operated machines except musical (report musical in 921100 and 929700).	K	K & M
999090	First-aid kits, industrial safety.	K	K & M
999990	Ice	K	K & M
999990	Incense	K	K & M
999990	Mannequins and parts	K	K & M
999990	Medals, not awards, except solid gold, platinum, or palladium.	K	K & M
999990	Rosaries and parts	K	K & M
999990	Sealing wax	K	K & M
999990	Shrines and parts	K	K & M

IMPORT CONTROL

No. 68—*Amendment to War Food Order 63, Making Specified Revisions in the Order and Certain Changes in Commodities Listed in Appendix A.*

An Amendment to War Food Order 63, issued by the War Food Administration on July 20, 1945, and effective on that date, makes several modifications in the text of the Order and specified changes in the list of products subject to WFO–63. The revisions in the text of the Order are as follows:

Unless specifically authorized in writing, importers may not use import authorizations to import food acquired, purchased, contracted for or arranged for prior to the issuance of such authoization, but such restriction shall not apply to food so committed prior to the governing date.

There has been deleted from the Order former paragraph (b) (4) (vii), which exempted food of United States origin shipped abroad on consignment or purchase contract and returned if rejected. A new exemption provides for food of continental United States origin or imported into the United States, which, after being shipped out of the United States for storage, is returned.

Specific provision is made for audits or inspection of books, records, etc., of imported foods of any person and for investigation which may be deemed appropriate to the

enforcement or administration of the Order.

The Order now specifically permits revocation of import authorizations at any time, but does not affect food which was in transit at the time of revocation.

Those authorizations under General Imports Order M–63 for foods which, when listed under M–63, were authorized for importation by the War Production Board, now have their expiration dates set forth as July 31, 1945, unless the expiration date set forth in the authorization occurs earlier.

The following changes are made in the list of products (appendix A), subject to WFO–63 (Schedule A Commerce Import Class Numbers in parentheses):

Added to Appendix A.—Tuna fish in oil or in oil and other substances[1 2] (0065.200); fish cakes, balls, and pudding, in oil or in oil and other substances[1 2] (0067.300); fish paste and fish sauce[1 2] (0078.500); crabmeat, including crab sauce and crab paste, canned[1 2] (0080.500); oysters, canned[1 2] (0081.100); razor clams, canned[1 2] (0081.500); clams (except razor clams) and clams in combination with other substances (except clam chowder) canned[1 2] (0081.600); castor beans (2231.000); castor oil (2260.020); lobsters (including spiny lobsters and crawfish), canned[1 2] (0084.000); and lobster paste and sauce[1 2] (0087.800).

Removed from Appendix A.—Anchovies, in oil or in oil and other substances (0064.200 and 0064.300); and anchovies, not in oil or in oil and other substances (0067.000).

In addition to the above, the designation "syrups and extracts for use in the manufacture of beverages, N. S. C." has been amended to now read "syrups, molasses, sugar-containing solutions, and sugar mixtures, edible, derived in whole or in part from sugar or sugar cane, irrespective of sugar, invert sugar, or nonsugar content, whether added to or derived from the product, n. e. s.,[1] N. S. C."

The designation "sugar-containing products consisting of 50 percent or more by weight of sugar" was amended by inclusion of a footnote[1] which eliminates the exemption for food from Canada, Mexico, Guatemala, or El Salvador, transported therefrom into continental United States, overland, by air or by inland waterway.

The designation "bones, ground, ash, dust, meal and flour" has been amended by inclusion of the limitation "for food and fertilizer use" and the classification has been revised from 0911.300 to N. S. C. The commodity classification number under soap and soap powder has been revised to read 8711.000 to 8719.900, inclusive.

NOTE: References (1) and (2) following the descriptions of commodity items added to WFO 63 refer to paragraph (b) (5) (ix) and paragraph (b) (6) (i) of War Food Order 63, as amended July 20, 1945.

No. 69.—*Amendments to General Imports Order M–63, Deleting Certain Products From Lists of Materials Subject to That Order and Adding Certain Others.*

An Amendment to General Imports Order M–63, as amended, issued by the War Production Board on July 19 and effective on that date, removes the following products from the restrictions of that Order; long staple cotton, silk cocoons and waste, yucca fiber, phlogopite (amber) block mica, and all graphite except amorphous graphite with a graphitic carbon content of 90 percent and over.

Two further amendments to General Imports Order M–63 issued on July 20, 1945, make the following changes in the Order: Amendment 1, to become effective August 3, 1945, adds standard newsprint paper (4711.000) to List B and Amendment 2, effective July 20, 1945, adds bone grist and ground bones for uses other than feed and fertilizer (N. S. C.) to List A. The latter, in effect, is merely a transfer of this bone product from War Food Order 63 to General Imports Order M–63.

PRICE CONTROL

No. 3—*Maximum Export Prices on Shipments to Noncontiguous Territories and Possessions of the United States (2d Revised Maximum Export Price Regulation, Amendment 17).*

Effective July 18, 1945, the Office of Price Administration has issued Amendment 17 to the 2d Revised Maximum Export Price Regulation. This Amendment requires exporters to the noncontiguous territories or possessions of the United States to extend to buyers in such areas the same protection accorded buyers in continental United States, by furnishing therewith, attaching, or leaving attached to the products, any statement, certification, marks, tags, or labels required by any regulation or order issued by the Office of Price Administration for domestic sales.

The text of the Amendment and the statement of considerations involved are as follows:

PART 1375—EXPORT PRICES

[2d Rev. Max. Export Price Reg., Amdt. 17]

EXPORTS TO TERRITORIES AND POSSESSIONS OF THE UNITED STATES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

The Second Revised Maximum Export Price Regulation is amended by adding thereto a new section, 10.1, to read as follows:

SEC. 10.1 *Statements, certificates, marks, tags or labels required on exports to the Territories or Possessions of the United States.* Any person making an export sale of any commodity to a purchaser in any Territory or Possession of the United States, or making a domestic sale to a purchaser in Continental United States for shipment to any such Territory or Possession, shall furnish therewith or attach or leave attached thereto any statement, certificate, mark, tag or label required by any regulation or order issued by the Office of Price Administration to be furnished, attached or left attached when such commodity is sold domestically otherwise than for export. This provision supersedes any contrary provision in any regulation or order issued by the Office of Price Administration.

This Amendment No. 17 shall become effective July 18, 1945.

Issued this 13th day of July 1945.

JAMES G. ROGERS, Jr.,
Acting Administrator.

STATEMENT OF THE CONSIDERATIONS INVOLVED IN THE ISSUANCE OF AMENDMENT NO. 17 TO THE SECOND REVISED MAXIMUM EXPORT PRICE REGULATION

The present Amendment adds to the Second Revised Maximum Export Price Regulation a provision requiring all persons selling goods for shipment to the United States Territories or Possessions to furnish therewith or to attach or leave attached thereto any statement, certificate, mark, tag or label which would be required were such persons selling the goods domestically in the Continental United States.

This will extend to buyers in the Territories and Possessions the same protection heretofore accorded buyers in Continental United States with respect to any merchandise which the applicable domestic price regulation requires to be accompanied by any statement, certificate, mark, tag or label for the purpose of showing identity, quality, grade, ingredients, ceiling price, etc. It will also facilitate the establishment and enforcement of maximum resale prices by the Office of Price Administration in the Territories and Possessions.

The Office of Price Administration is presently engaged jointly with the War Production Board in assuring that low cost clothing be made available to consumers and, as a means of effectuating this policy, certain domestic price regulations require labelling of the garments to show their ceiling prices and to identify them as having been produced and sold pursuant to this program. An example of such a domestic price regulation is Maximum Price Regulation No. 578 which deals with certain garments produced with War Production Board priorities assistance. The same considerations which require such labelling of garments to be sold in Continental United States apply to garments to be sold in the Territories and Possessions.

Issued this 13th day of July 1945.

No. 31—*Maximum Export Prices of Textiles of Cotton or Artificial Fiber (2d Revised Maximum Export Price Regulation, Amendment 18).*

Effective July 10, 1945, the Office of Price Administration has issued Amendment 18 to the 2d Revised Maximum Export Price Regulation. This Amendment extends from July 15 to October 4, 1945, the time within which exporters of textiles of cotton or artificial fiber may make shipments against firm contracts made prior to June 4, 1945, at prices higher than those at present permitted, provided the exporter had in his possession on June 4, 1945, a valid export license for the textiles described in the contracts or had, prior to that date, received an extension of export ratings for such textiles by the holder of the export license.

The text of the Amendment and statement of considerations involved are as follows:

PART 1375—EXPORT PRICES

[2d Rev. Max. Export Price Reg., Amdt. 18]

A statement of the considerations involved in the issuance of this Amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

The proviso appended as a footnote to section 8.2 of the Second Revised Maximum Export Price Regulation is amended to read as follows:

Provided, however, That shipments may be made at contract prices, against firm contracts made in conformity with this regulation prior to June 4, 1945, if the exporter then had in his possession a valid export license for the textiles described in the contract or if an export rating for such textiles had theretofore been extended to him by the holder of such license, provided that delivery is made to the carrier prior to October 4, 1945.

This Amendment No. 18 shall become effective July 10, 1945.

Issued this 10th day of July 1945.

JAMES G. ROGERS, Jr.,
Acting Administrator.

STATEMENT OF CONSIDERATIONS INVOLVED IN THE ISSUANCE OF AMENDMENT NO. 18 TO THE SECOND REVISED MAXIMUM EXPORT PRICE REGULATION

This Amendment extends from July 15 to October 4, 1945 the time within which exporters of textiles of cotton or artificial fibre are allowed to make shipments against firm contracts made prior to June 4, 1945 at prices higher than those presently permitted.

Permission to complete such contracts at prices over present ceilings, however, is limited to cases where exporters either had in their possession on June 4, 1945 valid export licenses for the textiles described in the contracts or had, prior to that date, received extentions of export ratings for such textiles by holders of the export licenses. The purpose of this requirement is to prevent continued shipment at over-ceiling prices against mere orders or inquiries which had not matured into binding contracts supported by outstanding export licenses either in the hands of the seller or others whose export rating had been extended to him.

Amendment No. 16, which imposed certain restrictions on the charging of export premiums, allowed a period expiring July 15, 1945 within which outstanding contracts might be performed at contract prices. It has been found, however, that difficulties ecountered

in securing merchandise, which often necessitates the converting of goods bought in the greige, as well as difficulties in securing shipping space and making delivery, make it impossible for many exporters to complete delivery within this short period. Failure to extend the period would probably result in cancellation of many contracts and might seriously interfere with the procurement programs of foreign purchasing missions. It might also create confusion with respect to the transfer or reissuance of export licenses for the purpose of complying with the more rigid requirements added by Amendment No. 16.

For these reasons the present Amendment extends the "bail out" period to October 4, 1945, thus allowing four full months from the date on which Amendment No. 16 was issued, which should be adequate to enable exporters to complete their outstanding contracts without serious inconvenience either to them or to their customers.

Issued this 10th day of July 1945.

Mexico in 1944

(Continued from p. 15)

with those of the United States and other cotton-goods exporting countries.

Another war abnormality in 1944 was the movement of the major portion of Mexico's exports and imports by land transport. Even the bulk commodities, such as coffee, fruits, lumber, and minerals, had to be hauled by railroad to the United States and Canada, and practically all manufactured goods imported from those markets came in by the same medium. The resultant strain on the rail system of the country was tremendous. However, with the help of a United States Railway Mission, the railroads not only were able to pull through, but by the end of 1944 they also were undoubtedly in better physical condition than they were at the outbreak of the war. The rail service also was relieved by the nation's development of a motor-truck transport system. Despite obstacles, these means of transport were able to perform an extremely valuable service to the war effort of the United States as well as to the domestic community.

Mexico's foreign trade in 1944 continued to consist largely of a movement into the country of manufactured and semi-processed articles, whereas shipments abroad consisted chiefly of bulk commodities.

On the export side, bulk materials, such as copper, lead, zinc, and other minerals, continued to represent the major volume of shipments abroad. Coffee, bananas, sisal, istle, and chicle were exported in amounts greater than or comparable to the movement of earlier years. Among the items which have developed an export market during the war or have been exported in larger quantities, the most prominent were cotton piece goods, guayule, chickpeas, canned fish and fruits, essential oils, and tree waxes and certain other forest products. Commodities which recorded a substantial decline in importance of export business as compared with prewar trade were live cattle, petroleum products, silver bullion, and mercury.

On the import side, as revealed by trade with the United States, there was a heavy increase in 1944 of foodstuffs, principally corn, lard, sugar, and wheat. Livestock for breeding assumed importance. Considerable quantities of railroad and industrial equipment, mine supplies and accessories, power-plant assemblies, construction materials, and agricultural machinery were also brought into Mexico. Automotive vehicles continued to form only a trickle of their former volume, but spare parts were in free supply. Electrical supplies, plumbing accessories, hardware, hand tools, and textile machinery were almost impossible to obtain. Household refrigerators, many office appliances, sewing machines, radios, rubber manufactures, and cotton clothing and piece goods were chiefly conspicuous by their absence from import manifests.

The most important foreign-trade regulation decreed during 1944 was the enactment of May 12 authorizing, under certain circumstances, the restriction of imports into Mexico. The primary motive was stated to be the Government's wish to defend its exchange reserves and prevent their being frittered away on nonessentials when world markets were again open to buyers. The regulation was used only sparingly by the Ministry of Finance up to the end of the year, lard, untanned cattle hides, and salt being the only commodities made subject to import control by that time.

Agriculture

Corn

The main corn crop in Mexico is harvested in the fall. It starts coming on the market about December or January, so that most of the production in any one year is consumed in the following year. The total production in 1943 was only 1,775,000 metric tons, which was 225,000 tons less than the estimated annual consumption of 2,000,000 tons. About 150,000 metric tons of corn were imported in 1944 to meet the shortage, most of which came from the United States and a small amount from Argentina. On September 22, 1943, a decree was issued which required every farmer to increase his plantings of corn at least 10 to 15 percent. In addition, the Government planned to put under cultivation approximately 500,000 hectares in the tropical coastal areas of Mexico, in order to produce a crop as early as possible. Also a provision was made that 50 percent of those lands which were being cleared with recently acquired machinery, and new lands brought under cultivation by irrigation projects, should be planted to corn. The size of the 1944 crop was estimated at 2,440,483 metric tons, more than adequate to meet requirements in 1945.

Wheat

Consumption of wheat has been increased in Mexico, and this trend is expected to continue. Local production meets about one-half of consumption requirements. Estimated wheat production in 1943–44 was 396,000 metric tons, a reduction of 33,000 metric tons from the preceding season's yield. Consumption in 1944 was estimated at 700,000 to 750,000 tons, and about 475,000 metric tons were imported, chiefly from the United States. The Mexican Government subsidized the imports of wheat by about 80 pesos per metric ton. It is expected that Mexico will import from 400,000 to 450,000 metric tons of wheat in 1945.

Cotton

The Mexican Government has followed a policy of encouraging cotton production through the activities of the organization Cia. Exportadora e Importadora Mexicana, S. A. (Mexican Exporting & Importing Co., Inc.) which is entrusted with the job of maintaining prices and buying cotton whenever necessary. This organization since July 1944 has been receiving the proceeds of a tax on cotton purchases by cotton manufacturers (10 pesos per quintal or 46.2 kilograms), used to make up losses which occurred in the disposition of surplus cotton at prices below the domestic market. Production in 1944 totaled approximately 500,000 bales, about equal to that of the preceding season. The problem of cotton surpluses was becoming one of grave concern to the Government by the end of 1944. It was estimated that Mexico had a carry-over of cotton on June 30, 1944, of about 425,000 bales. With the estimated record crop of 500,000 bales in 1944, the surplus to be carried over on June 30, 1945, may be nearly as much as 1 year's crop or at least 400,000 bales.

Winter Vegetables

Production and exports of winter vegetables during 1944 were slightly less than in 1943. About 8,100 carloads were exported during the crop season from November 1943 to the end of October 1944, of which 6,750 were tomatoes. This was nearly 1,000 cars of tomatoes less than in the preceding season. Exports of 812 cars of peas in 1943–44 were larger than in the preceding 2 years.

Chickpeas

Production of chickpeas during 1944 was about equal to that of the preceding season when 74,000 tons were produced, of which some 50,000 to 54,000 tons were for livestock feed. The 1944 production of chickpeas for human consumption, constituting an important export item, amounted to about 20,000 metric tons, which was a drop of 14,000 tons from that of the preceding season.

Sugar

Beginning in December and ending about November 30, production of sugar for the 1943–44 crop amounted to approximately 390,000 metric tons of refined sugar. About 47,700 metric tons had to be imported during 1944, mostly from Peru and Cuba. Consumption was estimated at 445,000 tons, and is expected to increase during 1945.

Fibers

Production of henequen in Yucatan, Mexico's leading henequen-producing State, was estimated at about 199,456 metric tons in 1944, as compared with 120,000 tons in 1943. About 96 percent of production was exported, principally to the United States. Of 116,194 metric tons exported, about 80,749 metric tons were in the form of sisal fiber, and 29,079 metric tons were sisal cordage.

Oils and Fats

Approximately 40,000 metric tons of lard were imported in 1944, largely from the United States, with some coming from Argentina and Canada. Early in 1944 Distribuidora made large purchases in the United States. This was at first limited by quotas which had been established for Mexico; when the quotas were later lifted, larger amounts were imported and steps were taken by the Government to restrict imports of lard to avoid undue reduction in prices of vegetable oils.

Production of vegetable-oil seeds in 1944 is estimated to have been as follows: Cottonseed 200,000 tons; sesame seed 50,000 to 60,000 tons; peanuts without shells 50,000 to 65,000 tons; copra, coyol, corozo, and coquito together 25,000 to 30,000 tons; rapeseed 5,000 to 8,000 tons; flaxseed 25,000 tons; and castor beans 10,000 to 12,000 tons.

Livestock

Exports of cattle in 1944 were only about 250,000 head, approximately one-half the number shipped in 1943 and the smallest number exported since about 1937. More livestock products were imported than were exported by Mexico during 1944. A larger amount of canned and preserved meats were imported than in the preceding year. Serious difficulties were experienced in some localities, particularly the Federal District, as a result of the lack of cattle for slaughter, attributed not to a scarcity of cattle or excessive exports but to transportation inadequacies, unfavorable organization for marketing, and general inflation.

Forestry

Increasing attention is being given to forestry in Mexico. New regulations were issued on May 18, 1944, under the authority contained in the forestry law approved by the Congress on December 31, 1942.

The Foreign Economic Administration of the United States abandoned its purchase program of lumber in Mexico on December 31, 1944. About 40,000,000 board feet of pine was exported from Mexico, and about 25,000,000 board feet of mahogany was produced, of which a large part was exported.

With import restrictions lifted by the United States on all Mexican woods except mahogany, a great interest was shown by domestic and foreign investors in the exploitation of secondary woods in tropical forests. It is anticipated by those investors that there will be an increased market in Mexico, the United States, and Europe for lumber made from these woods. The scarcity of logging equipment hampered all lumbering operations in Mexico in 1944.

There has been a large demand for importation of lumber from the United States, especially for such products as flooring. A small amount of these products were imported by Mexico, but United States export regulations prevented more extensive development of this business.

Mining

The production of metals and minerals in Mexico was about 20 percent less in 1944 than in the preceding year.

Practically all mining activity ceased on June 8 when a general strike of mining and smelter workers went into effect. In many cases, such as that of the mercury producers, the shut-down lasted only a few days when permission was given by union officials for certain properties to resume operations without granting increased wages or other benefits to relieve their financial condition. The last of the individual agreements was signed on August 12; the settlements generally called for an increase in wages of 10 to 15 percent. The time lost as a result of the strike was one of the serious factors in the reduction of output.

One of the most difficult problems of the mining industry was the transportation of its products. Because of inadequate transportation facilities there has been an increasing accumulation of concentrates and metals at numerous places throughout the country. The shortage of fuel oil and gasoline also handicapped mining operations in many districts. A general freight increase of 15 to 20 percent on different railroads was decreed on December 2, 1944, to go into effect on January 1, 1945, which meant a substantial increase in operating costs of the mining companies, inasmuch as all mining supplies, although not mineral products, were subject to it.

All United States Government purchases of celestite stopped on January 1, 1944, although shipments continued to be made to private buyers in the United States throughout the year. Purchases of mercury by United States Government agencies stopped as of August 31, after the price had been lowered by steps from $190 (United States currency) in 1943 to $100 in July of 1944. This led to the closure of most of the smaller producers and the contraction of operations of the larger organizations. Purchases of tungsten were stopped during the year. Announcement also was made in the latter part of the year that purchases of manganese ore by the United States Commercial Company after December 31 would be confined to those carrying 47 percent, or more, of metallic manganese.

As the year ended the majority of mine operators were pessimistic because of the effect on their profit margins of high taxes, lack of efficient transportation and increased costs thereof, supply shortages, market uncertainty, and low labor efficiency. The Ministry of National Economy is conducting a detailed survey of the mining situation with the hope of finding some means whereby costs can be lowered so that production can be maintained and possibly increased.

Petroleum

The petroleum industry of Mexico is practically confined to the operations of the government entity known as Petroleos Mexicanos. Production of petroleum products was several million barrels greater in 1944 than in the preceding year, but amounts exported continued to decrease, dropping about 12 percent below amounts shipped abroad in 1943. It is hoped to increase refined production in 1945 to 42,000,000 barrels of petroleum products, and at the same time expand exports to approximately 6,500,000 barrels. Paraffin production also will be stepped up by 3,600 tons, to between 10,000 and 15,000 tons for the year.

In the latter half of the year it was announced that in the future the agreed payments to the foreign companies for expropriated properties would be handled by Petroleos Mexicanos, rather than by the Mexican Treasury.

It was officially reported by Petroleos Mexicanos that 37 wells were drilled in 1944, of which 24 were productive. Twenty-six locations were selected for exploratory wells in unproven territory. Plans are to drill 71 wells during 1945, of which 36 will be in productive zones, 19 of usual exploration, and 16 of lateral exploration. Existing wells in disrepair to the number of 87 will be put in shape to produce again. The Mexican Chief Executive is on record as saying that it is planned to increase the nation's petroleum reserves which at the end of the year he estimated at 800,000,000 barrels. Private estimates of the reserves by competent experts in the petroleum business are 660,000,000 barrels.

Fishing

The Mexican fishing industry continued its expansion in 1944, with the greater interest centered on shark fishing off the west coast. A fish-liver, vitamin-extraction plant was constructed at Guaymas, Sonora, and another started at Manzanillo, Colima. In Guaymas the erection of a new quick-freezing plant for treating fish and shrimp was begun. At Coatzacoalcos, Veracruz, the construction of a new fish cannery was well advanced, and the agar-agar extraction plant at Ensenada, Baja California, was completed.

Responding to an increase in local demand, resulting from lack of imported dried codfish, there was an increase in the production of dried, salted shark fillets known as "bacalao del pais." Likewise, an increased production of shark hides occurred, practically all of which were exported to the United States.

The frozen-shrimp industry centered at Guaymas, Sonora, and Topolobampo, Sinaloa, continued to expand. This product is almost exclusively exported to the United States.

The pismo-clam fishery of Baja California, another product destined for United States markets, increased production from less than 20,000 pounds in 1940 to about 1,000,000 pounds in 1944.

Other than an increase in the shipment of red snappers, the export to the United States of fresh fish during 1944 showed no striking changes from that of 1943. This industry, because of the war, has expanded somewhat on the east coast of Mexico. The principal species involved are totoaba or white sea bass from the Gulf of California, and spotted trout,

croakers, redfish, and snappers from the Gulf of Mexico.

The Mexican fishery industries are expected to continue their expansion in 1945, with the possible exception of shark-fishing, if the market in the United States is sustained.

Labor

Mexican workingmen were almost 100 percent employed throughout 1944. The only strike that occasioned any extended shut-down of plant or idleness of employees was the general mining and metallurgical strike of June and July.

Although the relationship between employers and workers suffered severe strain at various times, commendable restraint was shown by both labor and management. The latter often realized the difficult economic position of the workers, and these in turn sensed that there were limits beyond which their employers could not go in granting concessions regarding wages, hours of work, and other benefits.

Communications

The railroad system of Mexico continued to be subjected to great strain in 1944 as a result of heavy freight movements in and out of the country, domestic traffic, and traffic incidental to production for the war. Various changes were made in the administration and management of the National Railways in the early part of the year. The United States Railroad Mission continued its program of rehabilitation, training of personnel, technical advice, and other assistance.

Resumption of Ward Line shipping service in June gave some promise of relief for the overburdened railways, but the anticipated expansion of the service during the year could not take place because of special war conditions.

Highway construction continued at a rapid pace, the Government devoting at least 100,000,000 pesos to this purpose out of current revenues. Work on the Pan-American Highway south of Mexico City was intensified, the section between Izucar de Matamoros and Oaxaca having been opened to regular traffic in December 1943. Trucking companies and bus operators found themselves handicapped by deterioration of equipment and inability to obtain replacements.

The Mexican air lines were aided to an important degree during the year by release of about 16 United States Army surplus airplanes, notably Boeing and Lockheed planes, which were apportioned among the most important domestic operators.

Tourism

The year unquestionably was the banner one for Mexico with respect to the tourist business. Expenditures by tourists from the United States in 1944 represented Mexico's most lucrative "invisible export." The amount of cash left in the country by these visitors was probably not less than 200,000,000 pesos and may have exceeded 250,000,000. Receipts from these expenditures are very significant as an offsetting factor in connection with the import trade balance of 300,000,000 pesos recorded by Mexico in 1944.

In addition, there was a tremendous upsurge of native Mexican commercial travel and tourist business within the country. With ample pocket money derived from the prevailing boom in business and real estate, these travelers toured the country and swamped existing pleasure-resort facilities.

Mexican-American Commission

The Mexican-American Commission, created by the joint action of the Governments of Mexico and the United States in September 1943, was designed to meet the problem of the unbalancing of Mexico's economy resulting from its efforts to supply the United States with a maximum of critical and strategic materials needed for the war effort and its inability, because of conversion to war production of industry in the United States, to obtain enough imports to adequately maintain its national economy and continue the flow of materials to its war allies.

Under the Commission's minimum 1944 program consideration was given to 58 major projects of economic development with a total estimated cost of $64,843,000 (United States currency). Among the proposals studied were 13 related to electric-power development, 10 to provide additional or improved textile-manufacturing facilities, 9 referring to cement or other construction materials, 5 concerned with the production of base-metal products, 5 devoted to paper-mill projects, 3 pertaining to the making of containers, and others dealing with coal mining, agricultural irrigation, drainage and flood control, and glass and chemical manufacture. For reasons directly related to the war effort, definite approval was given to only 20 of these projects involving over-all total costs of $24,000,000. Practically all of the materials and equipment required have been licensed, and most of the projects are already under construction.

In April the Commission appointed a joint Subcommittee on Industrial Development to consider Mexico's long-term capital-goods requirements. The subcommittee found that Mexico's needs for several postwar years in power and irrigation as well as other economic development represented a sum total of $383,000,000. Of the 58 projects considered under the minimum 1944 program, 31 were included in the long-range report of the Subcommittee on Industrial Development.

The Commission, having virtually completed by the end of 1944 the labors for which it was created, was adjourned, sine die, in January 1945.

The Mexican Government is encouraging the development of industries that will make fuller utilization of native raw materials to form the basis for a sound industrial development. Among those in abundance are such minerals as iron, lead, zinc, copper, mercury, and antimony; silver; cotton; forest reserves; coal; and petroleum. There is also an ample supply of labor.

It is generally realized in government and industry that the industrial program must be developed with a realistic consideration of the actual and potential possibilities. The national per capita income is about one-twelfth that of the United States, and buying power is limited to a relatively small section of the population. Industrial expansion will bring an increased buying power as a result of the greater opportunities for employment. Although the further industrialization of Mexico will naturally cause a shift in some of the items it must import, the expanded market resulting from an increased buying power will create broader potential markets for products from the United States.

Belgian Nursery Trade

The nursery trade represented a sizable business in Belgium prior to the war and a large proportion of the production was exported. About 90 percent of these exports went to European countries, with Germany as the principal market.

Exports of horticultural products from Belgium, in the years 1937 through 1939, were as follows:

Year	Volume	Value
	Kilograms	*Francs*
1937	9,309,500	76,311,000
1938	9,264,600	78,639,000
1939	7,030,900	51,333,000

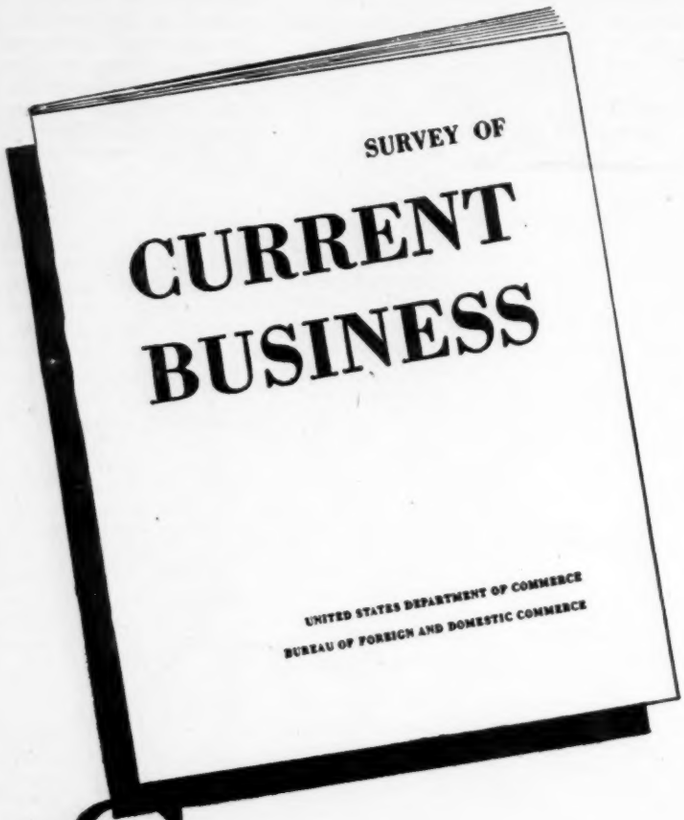
In 1942, which is the latest year for which export statistics on Belgian horticultural products are available, exports of azaleas and green plants from Belgium amounted to 7,853,000 kilograms, valued at 122,200,000 francs, of which 5,600,000 kilograms, valued at 90,300,500 francs, went to Germany. In addition, exports included 420,000 kilograms of bulbs, valued at 18,615,000 francs; 11,500 kilograms of cut flowers, valued at 1,919,000 francs; and 475,000 kilograms of trees, valued at 4,240,000 francs.

There are 1,370 nurseries in Flanders; of these, 1,084 employ from 1 to 5 workers, and 286 larger nurseries employ from 6 to 100 workers. In 1943, according to official figures, there were 4,976 workers in the nursery trade in Belgium.

The past year has been difficult for Belgian nurseries. Many hundreds of greenhouses were totally or partly destroyed by bombs, and coal has been scarce.

The loss of the German export market has been a severe blow to the Belgian nurseryman, and the outlook for suitable postwar exports to continental Europe is not bright. Nurserymen hope to find a market for their products in the British Isles, Switzerland, Sweden, Canada, and the United States.

At present large quantities of azaleas are being grown in Ghent, and Belgian florists are of the opinion that, when shipping facilities are available, they may find a market for this variety of flowering plant in the United States.



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